

Agenda

Council

Thursday, 12 January 2017, 10.00 am
County Hall, Worcester

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اردو۔ اگر آپ اس دستاویز کی مشمولات کو سمجھنے سے قاصر ہیں اور کسی ایسے شخص تک آپ کی رسائی نہیں ہے جو آپ کے لئے اس کا ترجمہ کر سکے تو، براہ کرم مدد کے لئے 01905 765765 پر رابطہ کریں۔ (Urdu)

کوردی سۆزانی، ننگێر ناتوانی تێبگهی له ناوهرۆکی نهم بێلگهیه و دهستت به هیچ کس نایگات که وهیگهیریتنوه بۆت، تکلیه تهلپون بکه بۆ ژمارهی 01905 765765 و داوای رهنۆینی بکه. (Kurdish)

ਪੰਜਾਬੀ। ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਮਸ਼ਹੂਰ ਸਮਝ ਨਹੀਂ ਸਕਦੇ ਅਤੇ ਕਿਸੇ ਅਜਿਹੇ ਵਿਅਕਤੀ ਤੱਕ ਪਹੁੰਚ ਨਹੀਂ ਹੈ, ਜੋ ਇਸਦਾ ਤੁਹਾਡੇ ਲਈ ਅਨੁਵਾਦ ਕਰ ਸਕੇ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਮਦਦ ਲਈ 01905 765765 'ਤੇ ਫ਼ੋਨ ਕਰੋ। (Punjabi)

DISCLOSING INTERESTS

There are now 2 types of interests:
'Disclosable pecuniary interests' and **'other disclosable interests'**

WHAT IS A 'DISCLOSABLE PECUNIARY INTEREST' (DPI)?

- Any **employment**, office, trade or vocation carried on for profit or gain
- **Sponsorship** by a 3rd party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

NB Your DPIs include the interests of your spouse/partner as well as you

WHAT MUST I DO WITH A DPI?

- **Register** it within 28 days and
- **Declare** it where you have a DPI in a matter at a particular meeting
 - you must **not participate** and you **must withdraw**.

NB It is a criminal offence to participate in matters in which you have a DPI

WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

- No need to register them but
- You must **declare** them at a particular meeting where:
You/your family/person or body with whom you are associated have a **pecuniary interest** in or **close connection** with the matter under discussion.

WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

You will not normally even need to declare this as an interest. The only exception is where the conflict of interest is so significant it is seen as likely to prejudice your judgement of the public interest.

DO I HAVE TO WITHDRAW IF I HAVE A DISCLOSABLE INTEREST WHICH ISN'T A DPI?

Not normally. You must withdraw only if it:

- affects your **pecuniary interests OR** relates to a **planning or regulatory** matter
- **AND** it is seen as likely to **prejudice your judgement** of the public interest.

DON'T FORGET

- If you have a disclosable interest at a meeting you must **disclose both its existence and nature** – 'as noted/recorded' is insufficient
- **Declarations must relate to specific business** on the agenda
 - General scattergun declarations are not needed and achieve little
- Breaches of most of the **DPI provisions** are now **criminal offences** which may be referred to the police which can on conviction by a court lead to fines up to £5,000 and disqualification up to 5 years
- Formal **dispensation** in respect of interests can be sought in appropriate cases.

Thursday, 12 January 2017, 10.00 am, County Hall, Worcester

Agenda and Summons

Councillors: Mr A P Miller (Chairman), Mr A A J Adams, Mr R C Adams, Ms P Agar, Mr A T Amos, Mrs S Askin, Mr J Baker, Mr R W Banks, Mr M L Bayliss, Mr A N Blagg, Mrs S L Blagg, Mr C J Bloore, Mr P J Bridle, Mr J P Campion, Mr S J M Clee, Mr S C Cross, Mrs P E Davey, Mr P Denham, Mr N Desmond, Mrs E A Eyre, Ms L R Duffy, Mr A Fry, Mr S E Geraghty, Mrs J L M A Griffiths, Mr P Grove, Mr A I Hardman, Mr M J Hart, Ms P A Hill, Mrs A T Hingley, Mrs L C Hodgson, Mr C G Holt, Mr I Hopwood, Mr M E Jenkins, Ms R E Jenkins, Mr R C Lunn, Mr L C R Mallett, Mr P M McDonald, Mr T A Muir, Mrs F M Oborski, Mr S R Peters, Dr K A Pollock, Mr D W Prodger MBE, Prof J W Raine, Mrs M A Rayner, Mr A C Roberts, Mr J H Smith, Mr R J Sutton, Mr C B Taylor, Mr J W R Thomas, Mr R P Tomlinson, Mrs E B Tucker, Mr P A Tuthill, Mr R M Udall, Mr G J Vickery, Mr T A L Wells and Mr G C Yarranton

1 Apologies and Declaration of Interests

To receive apologies and invite any Councillor to declare any interest in any of the items on this agenda.

2 Public Participation

To allow a member of the public to present a petition, or ask a question relating to the functions of the Council, or to make a comment on any matter on the agenda.

Members of the public wishing to take part should notify the Head of Legal and Democratic Services in writing or by e-mail indicating both the nature and content of their proposed participation no later than 9.00am on the working day before the meeting (in this case Wednesday, 11 January 2017). Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed below.

3 Minutes

To approve as a correct record and authorise the signing of the Minutes of the meeting held on 10 November 2016 (circulated previously electronically).

4 Chairman's Announcements

To receive any announcements to be made by the Chairman.

5 Reports of Cabinet 1 - 6

To consider the reports of the Cabinet and to receive answers to any questions asked on the reports. Matters where decisions have already been taken are on **white pages**.

6 Reports of Committees 7 - 26

To consider the reports of the Audit and Governance Committee, the Pensions Committee and the Planning and Regulatory Committee. Matters that require a decision by the Council are on **yellow pages**. Matters where decisions have already been taken are on **white pages**.

7 Constitutional Matters - Report of the Cross-Party Council Working Group 27 - 30

To consider a procedural alteration proposed by the Cross-Party Council Working Group on the work of the Council and its councillors.

8 Notices of Motion 31 - 32

To receive the report of the Head of Legal and Democratic Services on any Notices of Motion received by him (**Lilac pages**). Councillors are asked to note that any Notices of Motion must be received by the Head of Legal and Democratic Services no later than noon on **Thursday, 5 January 2017**.

9 Key Issues Debate - The Council as Corporate Parent 33 - 44

To give the Council an opportunity to debate the role of the Council as Corporate Parent. (**Blue pages**).

10 Annual report of the Chairman of the Overview and Scrutiny Performance Board 45 - 64

To receive the annual report of the Chairman of the Overview and Scrutiny Performance Board and answers to any questions on it (**grey pages**).

11 Annual Report of the Chief Executive 65 - 78

To receive the report of the Chief Executive and any answers to questions on it (**cream pages**).

12 Question Time 79 - 80

To receive answers to any questions asked by Councillors (Orange pages).

(Members are reminded of the timescale adopted by Council for notice of questions. A

Councillor may only ask a question if:

- It is delivered in writing to the Head of Legal and Democratic Services by noon on Monday 9 January 2017 or*
- If it relates to urgent business, the Head of Legal and Democratic Services is notified at least half an hour before the start of the meeting.)*

NOTES

- **Webcasting**

Members of the Council are reminded that meetings of the Council are Webcast on the Internet and will be stored electronically and accessible through the Council's Website. Members of the public are informed that if they attend this meeting their images and speech may be captured by the recording equipment used for the Webcast and may also be stored electronically and accessible through the Council's Website.

- **Catering Arrangements**

Luncheon will be available at 1.00pm or thereabouts in the Lakeview Room. This will be provided for all Councillors, without payment, and for pre-notified guests, who must be paid for in advance. An indication of any guests wishing to take luncheon should be given to staff in the Business Support Unit at least three days before the Council meeting.

Agenda produced and published by Simon Mallinson, Head of Legal and Democratic Services, County Hall, Spetchley Road, Worcester WR5 2NP. The above reports and supporting information can be accessed via the Council's website at: www.worcestershire.gov.uk

To obtain further information or a paper copy of this agenda please contact Simon Lewis, Committee Officer by telephone on Worcester (01905) 766621 or slewis@worcestershire.gov.uk

Date of Issue: Wednesday, 4 January 2017

COUNCIL
12 JANUARY 2017**REPORT OF CABINET - SUMMARY OF DECISIONS TAKEN**

FutureFit – Proposals for Change and Reform to support the Medium Term Financial Plan

1. The Council has an ambitious vision to improve the county as a place to live, work, visit and invest in. It plays a role in supporting the most vulnerable people and in aiming to help residents achieve their full potential to have healthy and independent lives. Against the current financial background the Council sought to improve its income generation, make better use of its assets and make efficiencies and reform to address the budget gap. The Council is six years into a programme to transform itself into an innovative organisation putting residents and business priorities at the heart of the decisions it makes. It continues to deliver high quality services against a background of public sector change, rising customer expectations and budgetary constraints. It has invested in the county's infrastructure (e.g. highways and broadband), children's safeguarding and vulnerable adults whilst managing increasing demand and inflationary pressures.
2. The emerging Corporate Plan "Shaping Worcestershire's Future (2017-2022)" describes a vision of an enabling Council that recognises it cannot deliver in isolation but will need to work with partners to develop strategies to manage the increasing demand for services. The Council will continue to move towards being self-sustaining producing income through Council Tax and Business Rates as well as growing its income base and making the best use of assets to rely less on government funding. It will also build on the excellent commissioning base it has developed. The Council will build on existing plans which are firmly based on resident consultation. The four key priorities of 'Open for Business', 'Children and Families', 'The Environment' and 'Health and Wellbeing' will remain the key planks of the change programme with proposals to innovate and develop further across these priorities.
3. The Cabinet has noted the significant progress of the FutureFit Programme and its achievements over the last 12 months. It has supported, in principle, proposals intended to deliver £8.8m through additional income generation opportunities, better use of assets, efficiencies and reform for 2017/18 and a further £4.6m in 2018/19. The Cabinet has also requested the Strategic Leadership Team to work with Cabinet Members to develop further proposals to close the emerging potential financial gap of up to £2.9m to balance the 2017/18 budget.

2017-18 Budget and Council Tax

4. The Cabinet has considered proposals for the 2017-18 Budget and Council Tax. The County Council's ambition to become more self-sufficient and rely less on the receipt of grant funding from central Government continues to be reflected in the

Medium Term Financial Plan (MTFP) and through the budget proposals. Looking forward the Council will have an opportunity to have much more influence and control over its funding as the ability to keep a greater share of the income from business rates within Worcestershire to support services becomes a reality through the implementation of central Government's Business Rates Retention reforms. The Council is seeking new responsibilities to drive and support economic prosperity across the county. This is reflected in the Corporate Plan for the county – "Shaping Worcestershire's Future (2017-2022)" which sets out a direction of travel for the Council building on the successes achieved and progress made in embedding an excellent commission-based approach.

5. The net expenditure budget for 2017-18 set out a provisional budget requirement of £319.7m and an indicative funding gap of £2.9m. Proposals to strengthen the base budget have been put forward. The impact of the provisional Local Government Finance Settlement will be worked into the draft budget with the intention of closing the funding gap in time for the February 2017 approval of the budget by Council. It is anticipated that central Government will remove Revenue Support Grant by 2019-20. Business Rates are expected to rise however this growth is largely offset by potential successful appeals of valuations set by the Valuation Office Agency. Income from Council Tax will gradually fund a greater proportion of the Council's budget in the future.

6. The Cabinet has approved the draft budget for consultation which includes proposed changes for income generation and expenditure budgets that are currently being consulted upon arising from the Council's FutureFit programme, a number of which have already been subject to detailed Cabinet and Scrutiny reports. It has endorsed a plan to address a forecast savings requirement of £2.9m as a result of updating the MTFP taking account of central Government's Autumn Statement to be presented for approval within the February 2017 Cabinet and Full Council reports. The Cabinet has also endorsed an investment of £1m in the Road Maintenance budget, £6m over two years for Pavement Improvements, £5m for cutting Congestion and a £2m extension to the existing Town Centre Improvements programme following residents' feedback on the importance of improving these areas in support of the Council's 'Open for Business' priority.

7. Whilst the full detail of the provisional Local Government Financial Settlement was released in late December 2016, which included the multi-year financial settlement deal agreed with central Government, the Council is still awaiting confirmation of around £90m of specific grant income. Any significant updates will be presented at the February 2017 Cabinet meeting. The Cabinet has agreed that it is minded to recommend to Full Council in February 2017 an increase in Council Tax Precept by 2.94% in relation to: 0.94% to provide financial support for the delivery of outcomes in line with the Corporate Plan and the priorities identified by the public and business community; and 2% Adult Social Care Precept ring-fenced for Adult Social Care services in order to contribute to existing cost pressures in 2016-17 due to Worcestershire's ageing population. The view that the Council will continue to address financial challenges in future years has also been endorsed by the Cabinet.

Resources Report

8. The Cabinet has considered the revenue budget monitoring 2016-17 outturn forecast as at 30 September 2016. The overall financial pressure was £0.3m, a reduction of £0.7m since the previous month. Work will continue to keep the budget within the overall £322m cash limit. The Council's capital expenditure at 30 September

2016 totalled £42m which was as anticipated. The FutureFit savings programme target for 2016/17 is £27m. Whilst 60% of the programme for the financial year has been delivered or is on track, risks to the delivery of the remainder of the programme continue to be monitored. The Cabinet has also noted the Council's acceptance of a four-year financial settlement deal from the Department for Communities and Local Government which will provide financial certainty over the amount of Revenue Support Grant received. It has also endorsed the Leader's conclusions regarding the treasury management half yearly progress report which confirm that the management of debt and short-term investments continues to be cost-effective.

Worcestershire Safeguarding Children's Board (WSCB) Annual Report 2015/16

9. The Independent Chair of the WSCB is responsible for publishing an annual report that provides a public assessment of the effectiveness of child safeguarding arrangements in Worcestershire and also recognises achievements and is realistic about the challenges that remain. The Report has been considered by the Health and Well-Being Board and the Children and Families Overview and Scrutiny Panel.

10. During 2015/16 WSCB had a particular focus on a number of priorities including:

- Implementation of the Board's Child Sexual Exploitation Strategy
- Early Help – the Board has maintained to refresh of the Early Help Strategy "Prevention and Intervention for Children, Young People and Families"
- Integrated Family Front Door (incorporating the Multi-Agency Safeguarding Hub ethos)
- Children's Social Care "Back to Basics" Improvement Programme.

11. The Board concluded that the body of evidence from data, audits, reports and learning during 2015-16 demonstrated that there was a strong commitment to safeguarding children across the Worcestershire partnership and safeguarding arrangements were in place. Demand for services across the whole system continued to increase and whilst strategies were in place to improve frontline practice, the Board could not be assured about the robustness of the child protection system and this remained a risk. Further assurance was required as to the effectiveness of the wider Early Help offer and the impact of the Integrated Family Front Door and the revised Levels of Need guidance would be monitored. The Board recognised that these were challenging times for partner agencies however there was evidence of some partners investing in their safeguarding services indicating a strong commitment to prioritise the protection of children.

12. The Cabinet has reviewed the Worcestershire Safeguarding Children Board Annual Report 2015/16 and noted the progress of the work of the Board. It has also confirmed the Council's commitment to supporting the recommendations in the Report to improve the safeguarding of children.

Fair Funding Consultation Outcomes for 2017-18 – National and Local Changes to the Funding Arrangements for Schools

13. The Government made significant changes to the funding formula factors for schools in April 2013 which have had an impact both for the schools and central local authority services. The national policy direction for the Schools Block Dedicated Schools Grant (DSG) and other funding matters have been confirmed for 2017-18 and

future years by the Department for Education (DfE). The amount per pupil (the Guaranteed Unit of Funding) for Worcestershire for 2017-18 has been confirmed as £4,318.80. Beyond 2017-18 the DfE contend that their policy changes continue to support their national direction of travel towards a National Fair Funding Formula from 2018-19 for local authorities and schools. Final decisions on this are not anticipated until early 2017. Worcestershire's current Local Schools Funding Formula for 2016-17 is based upon stability from the 2015-16 local formula. Worcestershire remains a low funded local authority for Schools Block DSG per pupil amount.

14. In respect of proposed formula development for 2017-18 there was a balance of considerations between the need for stability given the number and scale of changes since 2012-13 and the desire for a local formula which could appropriately serve all schools in Worcestershire. Taking all the considerations into account the Worcestershire Schools Forum's (WSF) recommendation was for stability and no change i.e. to retain the 2015-16 and 2016-17 local formula parameters for 2017-18. A detailed consultation document was circulated to all maintained schools, academies, other providers, members of the County Council, staff associations and the Worcestershire Association of Governors which included details of the recommendation to retain the existing local formula in 2017-18.

15. The Cabinet has considered all the issues including the feedback from the consultation, the involvement of the WSF members and schools during the consultation and the former's views on the Local Schools Funding Formula issues for 2017-18 and other matters. The Cabinet has authorised the Director of Children, Families and Communities to make the required submission to the Education Funding Agency by 20 January 2017 taking account of any impact and change on the approved units of resource as a consequence of the October 2016 census and other 2016 data and any other data changes and the final 2017-18 DSG. The Cabinet has also noted the continuing unfair funding for Worcestershire and its schools and that the Cabinet Member with Responsibility for Children and Families will continue to have dialogue with the Government for Fairer Funding.

Local Transport Plan (LTP4)

16. The Local Transport Plan sets the strategic vision and direction of highways and transportation services. The availability of reliable and efficient transport networks play a major role in the effectiveness of the Worcestershire economy and is important in sustaining economic success. Since LPT3 was put together, funding mechanisms, socio-economic aspirations, development growth and the level of evidence available to support investment in schemes have changed and therefore LTP3 had needed revising into the LTP4 to take account of these changes.

17. The main LTP4 strategy document has been revised and any schemes implemented since LTP3 adoption removed. It also proposes new and emergent schemes, reflecting the Infrastructure Delivery Plans within the county, as well as schemes that may have been suggested by stakeholders during a pre-consultation exercise period. The main document sets out an outline delivery programme which is split into the three area-based transport strategies in North East Worcestershire, Wyre Forest and South Worcestershire.

18. The Cabinet has agreed that a 12 week public consultation will take place on the draft LTP4 2017-2030 for Worcestershire and that it will receive a further report for

consideration having regard to the outcomes of the consultation. Full Council will then be asked to adopt the final LTP4 in summer 2017.

Energy and Carbon Management Plan 2016-2021

19. The Council has been actively addressing energy use for a number of years in order to save money and reduce carbon emissions arising from its activities and operations. The Council's second Carbon Management Plan 2011-2016 set an aspirational target to reduce CO₂ emissions from Council operations and activities by 30% by the end of March 2016, from a 2009-10 baseline. A number of successful projects have led to a 23% reduction in CO₂ emissions and savings of just under £700,000 per year. The new Energy and Carbon Management Plan 2016-2021 sets out the strategy to further reduce energy costs associated with the Council's operations and activities which in turn will reduce carbon emissions. A CO₂ reduction target of 20% from the 2015-16 baseline by the end of March 2021 is proposed.

20. A number of projects are proposed for implementation. The expected cost savings from the initial projects total approximately £116,000 per year. Projected cost savings that may be achieved through a 20% reduction in CO₂ emissions total approximately £240,000 per year, based on current energy prices. The main funding stream for the plan will be the Council's internal Energy Efficiency Spend to Save programme which has a fund of £3m.

21. The Cabinet has approved implementation of the new Energy and Carbon Management Plan 2016-2021 and the proposed 20% reduction target in CO₂ emissions from the Council's operations and activities for which it is directly responsible from the 2015-16 baseline by the end of March 2021.

Disbanding of South Worcestershire Shared Service Joint Committee arrangements

22. The Joint Committee was established in March 2009 and comprises elected representatives with appropriate responsibility for each of the shared service functions within the South Worcestershire districts including the Worcestershire Hub Shared Service (WHSS) which the County Council is partner to. As well as the WHSS, the Joint Committee is also responsible for South Worcestershire Revenue and Benefits Shared Service, South Worcestershire Building Control Shared Service and South Worcestershire ICT Shared Service.

23. The current arrangements for the Joint Committee were an effective means of delegating and organising shared service functions when they were originally set up. However, with significant changes to the operating models of the shared services, the Joint Committee's responsibilities have reduced and partnership working has changed and improved, including the commissioning to a third party provider. Consequently alternative governance arrangements already exist to provide both the operational and strategic direction for the shared services and the Joint Committee adds a layer of unnecessary duplication as well as absorbing time and resources in preparing for it.

24. The Cabinet has therefore endorsed the recommendation from the South Worcestershire Joint Committee to dissolve the South Worcestershire Shared Services Joint Committee ("Joint Committee") by 31 March 2017. It has delegated authority to the Director of Commercial and Change, in consultation with the Cabinet Member with

Responsibility for Transformation and Commissioning, to conclude arrangements relating to services currently delegated to the Joint Committee. It has also delegated authority to the Director, in consultation with the Cabinet Member, to finalise the detail of the future governance arrangements with partners of the WHSS whilst maintaining member engagement and to conclude a revised legal agreement with those partners. The Head of Legal and Democratic Services has been authorised to execute the legal agreement as necessary.

Balanced Scorecard – FutureFit Performance and Corporate Risk Update

25. The Cabinet has considered an overview of performance for the Corporate Balanced Scorecard for Quarter Two 2016-17. Currently there are 45 indicators reported in the Scorecard. 20 of these are rated "green" representing good performance or progress and 9 are rated as "red". 7 of those performance indicators rated "red" have had a performance update in Quarter Two 2016-17 and actions are being taken to address their performance. The Cabinet has also authorised the Chief Executive in consultation with the Leader of the Council to refresh the indicators that sit on the Corporate level Balanced Scorecard to reflect the new 2017-2022 Corporate Plan with effect from 1 April 2017.

26. The Corporate Risk Register provides a mechanism for collating and reporting strategic risks that could affect the delivery of corporate objectives. The Cabinet has considered an overview of the Register for Quarter Two 2016-17 including the status of individual risks. It has noted the latest refresh of the Corporate Risk Register including actions to mitigate the two risks that are rated "red".

Mr S E Geraghty
Chairman

Contact Points

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Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda and background papers for the meetings of the Cabinet held on 17 November 2016 and 15 December 2016.

COUNCIL
12 JANUARY 2017**REPORTS OF COMMITTEES****(a) MATTERS WHICH REQUIRE A DECISION BY COUNCIL**

LGPS Central Governance**Recommendation**

1. **The Pensions Committee recommends that, subject to a condition that a cost share agreement is agreed with all LGPS Central pool members that ensures value for money in the opinion of the Chief Financial Officer for the Worcestershire County Council Pension Fund from entering into the LGPS Central investment pool:**
 - a) **a Joint Committee be established with the participating authorities under s102 of the Local Government Act 1972 to oversee LGPS Central arrangements in accordance with this report and that the Head of Legal and Democratic Services be authorised to finalise the formal terms of reference for such a Joint Committee in consultation with the Chief Financial Officer; and**
 - b) **Council endorses the proposal to become a joint shareholder of LGPS Central as a private company limited by shares as set out in this report.**
2. The revised LGPS Investment Regulations require all administering authorities in England and Wales to enter into joint (pooled) arrangements for the management of their investment assets, with effect from 1 April 2018, in order to achieve scale economies and increase investment capacity.
3. The Worcestershire County Council Pension Fund has been working with seven partner funds on a proposal which will meet the criteria for pooling laid down by the Secretary of State, by establishing a jointly owned investment management company, to be known as 'LGPS Central'.
4. The Pensions Committee has agreed that the following recommendations are approved, subject to a condition that a cost share agreement is agreed with all LGPS Central pool members that ensures value for money in the opinion of the Chief Financial Officer for the Worcestershire County Council Pension Fund from entering into the LGPS Central investment pool:
 - a) To enter into a joint agreement with Derbyshire County Council, Leicestershire County Council, Nottinghamshire County Council, Shropshire Council, Staffordshire County Council, Wolverhampton City Council and

Cheshire West and Chester Borough Council to establish a joint pension fund investment pool, in accordance with the requirements of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016; to be overseen by a Joint Committee established under s102 of the Local Government Act 1972;

- b) That Council be recommended to establish a Joint Committee with the participating authorities under s102 of the Local Government Act 1972 to oversee LGPS Central arrangements and that the Head of Legal and Democratic Services be authorised to finalise the formal terms of reference for such a Joint Committee in consultation with the Chief Financial Officer;
- c) That the Chairman of the Worcestershire County Council Pensions Committee, or his nominated representative be appointed act as the Council's representative on the Joint Committee;
- d) That the Director of Governance and the Director of Finance of Cheshire West and Chester Borough Council provide governance and administrative support to the Joint Committee on behalf of the participating Councils, subject to an appropriate cost sharing agreement agreed by the Chief Financial Officer in respect of officer time and other expenses;
- e) To become a joint shareholder of LGPS Central as a private company, limited by shares held solely by the participating funds, on a 'one fund, one vote' basis and incorporated for investment management purposes and regulated under the Financial Services and Markets Act 2000;
- f) That the Chairman of the Worcestershire County Council Pensions Committee, or his nominated representative, exercise the Council's voting rights as a shareholder of LGPS Central;
- g) That the Chief Financial Officer represent the Council on a Practitioners Advisory Forum, providing joint officer support to the Joint Committee and Shareholders; and
- h) To authorise delegated powers to the Chief Financial Officer to enter into all necessary legal agreements to establish a joint asset pool and investment management company, as outlined in this report, and to agree the Initial Strategic Plan and the Cost Sharing Schedule.

5. The changes agreed by the Pensions Committee will allow the Council to comply with updated LGPS Investment Regulations which came into effect in November 2016, requiring all administering authorities to commit to an investment pooling arrangement which meets the criteria and guidance laid down by the Secretary of State in November 2015.

6. Where authorities fail to comply with the criteria and guidance, the Secretary of State has powers to intervene, and to issue a Direction requiring changes to investment strategies and investment management arrangements, or the transfer of the investment functions of an administering authority, either to himself or a nominated party.

7. The proposal to establish LGPS Central is supported by a comprehensive business case, which demonstrates the potential for significant savings in investment costs and management fees over the longer term for the pool as a whole, without detriment to investment performance and local accountability. However the business case for Worcestershire County Council Pension Fund on a value for money basis is dependent on the cost share agreement, which is currently being finalised.

Background

8. The LGPS is one of the largest funded pension schemes in the world with combined assets of around £200 billion. These are managed by 89 local administering authorities, who historically, have maintained separate arrangements for the management of scheme assets, overseen by their respective Pension Fund Committees.

9. Between them it is estimated that administering authorities incur total administrative and management costs of around £500 million per year, a significant proportion of which relates to investment management fees paid to external fund managers. Funds often use the same managers, offering the same or similar services but appointed under separate agreements and on different fee terms.

10. Funds also vary significantly in scale; large funds enjoy direct access to a wide range of investment markets and products and can often negotiate more competitive fees, whilst smaller funds have more restricted options due to lower levels of investible resources, and expertise and have less negotiating power in the market.

11. Over the past two and half years the government has explored a number of options for improving the efficiency and sustainability of the scheme, and has undertaken extensive consultation on the potential to deliver savings through greater collaboration. A national cost benefit exercise, led by Hymans Robertson concluded that significant savings could be achieved through greater use of collective investment approaches, provided that certain regulatory restrictions were removed.

12. Subsequently, the government announced its intention to introduce a new regulatory framework which would facilitate collective investing and issued guidance and criteria to help administering authorities to develop proposals for pooling aimed at reducing costs and improving efficiency. Initial proposals were required by February 2016, followed by more detailed business case submissions in July 2016, with a target implementation date of 1 April 2018. The government also announced that 'backstop' powers would be introduced to allow the Secretary of State to intervene where authorities failed to bring forward sufficiently ambitious proposals in accordance with the guidance and criteria issued.

LGPS Central

13. Prior to the government's announcement, the Worcestershire County Council Pension Fund has already established close working links with a number of other funds in, and around, the Midlands area and had begun to explore the scope for wider collaboration, starting with a successful joint procurement exercise in 2015, which resulted in a substantial fee saving on the funds' passively managed equity portfolio.

14. These informal links become the starting point for wide discussions in the context of the formal requirement for pooling, resulting in a joint proposal from Cheshire, Derbyshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, West Midlands and Worcestershire to create 'LGPS Central', with combined assets of £35 billion.

15. Following confirmation from the Minister that this proposal was acceptable, a joint working group of officers, supported by external advisors, developed a detailed business case setting out how LGPS Central will meet the four key assessment criteria laid down by the government:

- a) Criteria 1 – Asset pool(s) that achieve the benefits of scale (>£25billion);
- b) Criteria 2 – Strong governance and decision-making;
- c) Criteria 3 – Reduced costs and value for money; and
- d) Criteria 4 - Improved capacity and capability to invest in infrastructure.

16. Detailed reports have been presented to the Worcestershire County Council Pensions Committee, explaining the key elements of the business case and seeking its approval for the proposed governance, oversight and management structure of the pool, which is summarised in Appendix 1 to this report.

17. The structure will allow participating funds to exercise control (both individually, and collectively) over the new arrangements, not only as investors in the pooled fund, but also as shareholders of the operator company.

18. Whilst assets will be managed on a pooled basis, each fund will be able to exercise their investor rights independently, although clearly, benefits of scale will most effectively harnessed where parties work together, in a co-ordinated way to align their decision-making. An important example would be social, environmental and governance policies and policies on the exercise of voting rights, where cross-voting between funds within the same pool would be both costly to administer and counter-productive.

19. The Joint Committee will be the forum for discussing common investor issues, and for collective monitoring of the performance of the pool against the objectives set out in the LGPS Central business case submission. It will however, have no formal decision-making powers and recommendations will require the approval of individual authorities, in accordance with their local constitutional arrangements.

20. The Shareholders, operating under company law, will have formal decision making powers. The Worcestershire County Council Pension Fund will have equal voting rights alongside the other participating funds, and unanimous decisions will be required on key strategic matters, which will be specified in the company Shareholders Agreement and Articles of Association. This will include the appointment and dismissal of the company's senior executives, approval of the company's strategic plan and any significant financial transactions, such as major acquisitions and lending or borrowing. A deadlock resolution procedure is included within the Shareholders Agreement, along with mediation and arbitration processes, if required, to resolve deadlocked decisions on key strategic matters.

21. The degree of control to be exercised by the Shareholders through their reserve powers will be greater than is generally the case, in order to satisfy the 'Teckal'

exemption criteria in the Procurement Regulations and allow the company to undertake services on behalf of the investor funds without a formal procurement process.

22. The government has also made clear their expectation that pooled entities must be registered with the Financial Conduct Authority (FCA) and regulated under the Financial Services and Markets Act 2000, to ensure appropriate safeguards over the management of client monies. As such, the new LGPS Central company will be subject to on-going oversight by the regulator and key management positions, including the company directors will need to be 'approved persons', able to demonstrate appropriate knowledge, expertise and track record in investment management. They will also carry significant legal personal liability for their actions and decisions.

23. The relative merits of buying, or renting an established operator to manage the day to day running of the pool, have been carefully considered against the benefits of setting up a jointly owned company, with associated shareholder rights. The constituent funds unanimously agreed that the latter option, whilst more expensive, offers significant advantages in terms of great flexibility and control, and this is the basis upon which the business case has been developed.

24. Staff who are currently employed on behalf of the partner Funds to manage their investments will transfer under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) to the new company. As the Worcestershire County Council Pension Fund does not currently have an in-house investment team, no staff transfer implications are anticipated for the Council, although the ability to access internal investment resources through the pool offers potential for additional future savings.

25. The detailed business case has been reviewed by a joint DCLG/HMT Review Panel, and Ministerial consent to proceed has been received.

Impact on the role of the Worcestershire County Council Pension Fund Pension Committee

26. For the most part, the role of the Pensions Committee will be unaffected by the implementation of pooling and the creation of LGPS Central. The Pensions Committee will continue to be responsible for monitoring the overall management, performance and administration of the fund, and for setting investment strategy, including the overall allocation of assets, which is the critical factor in determining investment performance.

27. Importantly, the Pensions Committee will also continue to be responsible for communicating with individual scheme members, whose benefits are guaranteed in law, and are therefore not affected by the new pooling arrangements or investment performance.

28. Responsibility for appointing investment managers and overseeing their performance, including any decision to dismiss, will however transfer to the pool operator, as will tactical decisions on the implementation of the overall investment strategy and the choice of specific investment vehicles.

29. The role of the Pension Investment Advisory Panel will be more fundamentally impacted by the pooling proposals, as its remit is focussed specifically on the review of investment manager performance and other service provider issues, which will become the responsibility of the pool operator. With reduced terms of reference it may be that the residual role of the Advisory Panel could be subsumed back in to the main Pension Committee, thereby streamlining the overall governance arrangements and reducing the demands on Member time. It should be noted however, that the transition of assets into the pool is likely to be phased over a number of years, and that the Advisory Panel will have an important role in the interim in making sure that good governance is maintained over both transferred and non-transferred assets.

30. Changes to the terms of reference for the Pensions Committee and the Pension Investment Advisory Panel will be recommended to Full Council prior to the LGPS Central operation start date on 1 April 2018.

Pooling costs

31. The estimated cost of setting up the jointly owned company is up to £4m, this will be shared equally between the participating funds, with Worcestershire's share being around £500,000. There will also be significant transition costs as existing investment mandates are unwound and funds are transferred into new collective investment vehicles. It is not possible to accurately predict these costs, but the business case includes an estimate of £50m. Transition costs will also be shared between the funds on a fair and equitable basis.

32. In addition, as the new company will be a regulated entity under FCA rules, it will need to hold regulatory capital to guarantee its solvency. The regulatory capital requirement is expected to be in the region of £8m (£1m per fund).

33. If approved, Worcestershire's share of all costs (including the regulatory capital) will be met from the pension fund, and there will therefore be no direct impact on the Council's revenue or capital budgets.

34. Estimated net total savings for the pool are in the region of £182m over the period from 2018/19 to 2032/33, with annual savings of around £29m being achieved by the end of this period. However Worcestershire, over the planning period of 15 years, is forecast to incur additional costs of £0.3 million according to the Base Business Case. Following direction from the DCLG, this planning period has been extended to 16 years which has resulted in a small (£2,000) net benefit.

35. It is therefore of key importance to the Fund, due to the qualification attached to the recommendations in this report, that the Base Business Case be revised based on an updated cost share agreement that is currently to be finalised, to demonstrate value for money for the Fund before LGPS Central legal documents can be signed / sealed in April / May 2017.

LGPS Central key risks

36. The key risks are:

- a) failure to achieve the statutory implementation deadline of 1 April 2018;
- b) failure to manage costs and savings in line with the agreed business case;

- c) failure to meet the requirements of the FCA regulator; and
- d) failure to recruit appropriately skilled and experienced senior personnel to the new company.

37. Comprehensive programme governance arrangements are in place to ensure that the statutory deadline for the implementation of pooling is achieved and that costs and savings are managed in accordance with the business case. The s151 officers of each of the participating funds sit on the LGPS Central Programme Board and regular joint meetings are held between the Chairs and Vice-Chairs of the respective Pension Fund Committees to ensure effective member oversight of progress and delivery. The Worcestershire County Council Pensions Committee and Local Pensions Board are also being updated regularly on key developments and decisions, as are the fund employers.

38. Expert advisers have been appointed to provide support on legal matters, FCA registration, taxation and overall programme management, and professional recruitment consultants are being appointed to assist and advise on executive recruitment and remuneration.

Operator setup options

39. The options of renting or buying an operator to manage the pool (rather than setting up a wholly owned company), have been considered and rejected due to market risk (limited supplier choice), and on governance grounds. The option of setting up a non-incorporated shared service arrangement has also been rejected due to significant regulatory risk.

Arrangements for the appointment of the County Council's External Auditor

Recommendation

40. The Audit and Governance Committee recommends that the Council 'opt in' to the appointing person arrangements proposed by the Public Sector Audit Appointments (PSAA) for the purpose of appointing the County Council's external auditors as set out in the report (option 3).

Background

41. The Audit Commission was discontinued by the Local Audit and Accountability Act 2014. Transitional arrangements were established for the appointment of external auditor and the setting of audit fees for all local government and NHS bodies in England. On 5 October 2015 the Secretary of State for Communities and Local Government (CLG) determined that the transitional arrangements for local government bodies would be extended by one year to also include the audit of the accounts for 2017/18.

42. The County Council's current external auditor is Grant Thornton UK LLP, who was appointed under a contract let by the Audit Commission. The contract is currently managed by Public Sector Audit Appointments Limited (PSAA), the transitional body set up by the Local Government Association (LGA) with delegated authority from the Secretary of State for CLG.

43. The County Council's current annual external audit fees are £95,000. Over recent years the County Council's external audit fee has reduced by around 45%. This reduction has been delivered through a combination of factors including new contracts negotiated nationally with external audit providers and savings from closure of the Audit Commission.

44. When the current transitional arrangements come to an end on 31 March 2018, the County Council will potentially be able to move to local appointment of their External Auditor. There are a number of routes by which this can be achieved, each with varying risks and opportunities, which are explored further in this report.

45. The scope of the external audit and the issuance of the Code of Audit Practice will continue to be specified nationally by the National Audit Office (NAO). Any prospective provider of External Audit services will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council. The registration process has not yet commenced and so the number of External Audit providers is still to be confirmed. It is anticipated that there will continue to be External Audit Providers of sufficient quality to meet our needs at the County Council.

Options for local appointment of External Auditors

46. There are three broad options open to the County Council under the Local Audit and Accountability Act 2014 (the Act). In each case, a broad summary of the respective advantages and disadvantages are set out in this section

Option 1 - To make a stand-alone appointment

47. In order to make a stand-alone appointment the County Council will need to set up an Auditor Panel. The members of the panel must be wholly or a majority independent members as defined by the Act.

48. Independent members for this purpose are independent appointees, which excludes current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority input to assessing bids and choosing which External Auditor to award a contract for the Council's External Audit.

Advantages/benefits

49. Setting up an auditor panel allows the County Council to take maximum advantage of the new local appointment regime and have local input to the decision.

Disadvantages/risks

50. Recruitment and servicing of the Auditor Panel, running the bidding exercise and negotiating the contract is estimated by the LGA to cost in the order of £15,000 plus on going expenses and allowances.

51. The County Council may not be able to take advantage of reduced fees that may be available through joint or national procurement contracts.

52. The assessment of bids and decision on awarding contracts will be taken by independent appointees and not solely by elected members.

Option 2 - Set up a Joint Auditor Panel / local joint procurement arrangements

53. The Act enables the County Council to join with other authorities to establish a joint auditor panel. Again this will need to be constituted of wholly or a majority of independent appointees. Further legal advice will be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the County Council will need to liaise with other local authorities and/or public bodies to assess the appetite for such an arrangement.

Advantages/benefits

54. The costs of setting up the panel, running the bidding exercise and negotiating the contract will be shared across a number of authorities and/or public bodies.

55. There is greater opportunity for negotiating some economies of scale by being able to offer a larger combined contract value to the firms.

Disadvantages/risks

56. The decision making body may be further removed from local input, with potentially no input from elected members where a wholly independent auditor panel is used or possible only one elected member representing each Council and/or public body, depending on the constitution agreed with the other bodies involved.

57. The choice of External Auditor could be complicated where individual Councils and/or public bodies have independence issues. An independence issue occurs where the auditor has recently or is currently carrying out work such as consultancy or advisory work for the County Council.

58. Where conflict may occur, some auditors may be prevented from being appointed by the terms of their professional standards. There is a risk that if the joint auditor panel choose an External Audit provider that has a conflict then the County Council may still need to make a separate appointment with all the attendant costs and loss of economies possible through joint procurement.

Option 3 - Opt-in to a Sector Led Body (Preferred option)

59. The PSAA has been specified by the Secretary of State for CLG as the Appointing Person for principle local government bodies, and as such will make External Auditor appointments for bodies that choose to opt in to the national appointment arrangements. This arrangement is sometimes described as a Sector Led Body (SLB) option.

60. Proposals are for External Auditors to be appointed under this arrangement for an initial period of five years commencing 1 April 2018.

Advantages/benefits

61. The costs of setting up the appointment arrangements and negotiating fees would be shared across all opt-in authorities and or public bodies. By offering large contract values, potential providers of External Audit may be able to offer better value for money given the size of the audits collectively being procured.

62. Any conflicts at individual authorities would be managed by the SLB who would have a number of contracted firms to call upon. The appointment process would not be made locally. Instead a separate body set up to act in the collective interests of the 'opt-in' authorities, in a similar fashion to the Audit Commission arrangements of

the past. The LGA are considering setting up such a body utilising the knowledge and experience acquired through the setting up of the transitional arrangements.

Disadvantages/risks

63. Individual elected members will have less opportunity for direct involvement in the appointment process other than through the LGA and/or stakeholder representative groups.

64. In order for the SLB to be viable and to be placed in the strongest possible negotiating position the SLB will need Councils to indicate their intention to opt-in before final contract prices are known.

Preferred Option

65. Option 3 – Opting into a Sector Led Body for the purpose of appointing the County Council's External Auditor is recommended for the reasons set out in Section 3. The decision is reserved for Full Council within the Local Audit and Accountability 2014 Act (the Act).

66. The County Council have until December 2017 to make an appointment of external auditors from April 2018. In order that more detailed proposals can be developed the Committee is asked to recommend Option 3 as the County Council's preferred approach and for this to be communicated to the PSAA.

67. The closing date for opting in to the PSAA is 9 March 2017 to enable audit contracts to be awarded by end of June 2017.

Risk Management

68. PSAA have indicated that they require a commitment from the County Council by March 2017. Whilst there is no immediate risk to the County Council, early consideration of its preferred approach will enable detailed planning to take place so as to achieve successful transition to the new arrangement in a timely and efficient manner and maximise the opportunity to achieve Value for Money from its External Audit services.

69. Providing the LGA with a realistic assessment of our likely way forward will enable the LGA to invest in developing appropriate arrangements to support the County Council.

Contact Points

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Supporting Information

The following supporting information is available electronically. Hard copies will also be

made available in the Members' area and in County Hall Reception:

- Eversheds - LGPS Central Governance Structure – Appendix 1
- Marcus Jones MP Letter to Central Pool – Appendix 2

Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the Pensions Committee held on 7 December 2016 and the Audit and Governance Committee on 9 December 2016.

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COUNCIL
12 JANUARY 2017**REPORTS OF COMMITTEES****(b) SUMMARY OF DECISIONS TAKEN BY THE AUDIT AND GOVERNANCE COMMITTEE**

Corporate Risk Report

1. The Corporate Risk Register provides a mechanism for collating and reporting strategic risks that could affect the delivery of corporate objectives. Each risk listed on the Corporate Risk Register is monitored by Directorates and reported through the corporate process to provide assurance on the adequacy of arrangements to mitigate the risks. Two risks are rated as 'red':

- failure to maintain business as usual / appropriate levels of service at the same time as transformation
- demographic changes lead to changed demand for services.

2. The Committee has noted the latest refresh of the Corporate Risk Register including the red risks identified and mitigating actions.

Annual Audit Letter 2015/16

3. Grant Thornton is responsible for producing an Annual Audit Letter which brings together all aspects of external inspection work undertaken across the Council including the audit work carried out on the accounts. The Committee has noted the Annual Audit Letter 2015/16.

Internal Audit Progress Report 1 April to 30 October 2016

4. The Committee has noted the Internal Audit Progress Report for the period 1 April to 31 October 2015.

Work Programme

5. The Committee has noted its future work programme.

Mr N Desmond
Chairman

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the Audit and Governance Committee held on 9 December 2016.

COUNCIL
12 JANUARY 2017**REPORTS OF COMMITTEES****(c) SUMMARY OF DECISIONS TAKEN BY THE PENSIONS COMMITTEE**

Strategic Asset Allocation Review

1. Every three years the Fund takes stock of the performance and composition of the Fund's Strategic Asset Allocation with the aims of:
 - i. meeting the requirements of the Fund's draft 2016 Funding Strategy Statement;
 - ii. maintaining targeted returns, and
 - iii. improving the Fund's opportunity to minimise volatility of returns and optimising diversification of risk.

2. The Fund's Funding Strategy Statement is not proposed to change as a result of the 2016 Actuarial Revaluation and therefore the aim of the Strategic Asset Allocation should remain unchanged from that endorsed by the Shadow Pensions Committee as a result of the 2013 valuation.

3. The Committee has approved a number of recommendations which will enable the Fund to continue to meet the assumptions contained within the Fund's Funding Strategy Statement with regards to ongoing expected returns in excess of CPI inflation and also take into account Central Government's asset pooling agenda and the establishment of the LGPS Central pool on 1 April 2018.

Actuarial Valuation

4. Every three years, in line with legislation, the Fund Actuary, Mercer, carries out a full Actuarial Valuation of the Fund to calculate how much the employers in the Scheme need to contribute going forward to ensure that its liabilities, the pensions due to current and future pensioners, will be paid as they fall due. The Fund's funding level has increased from 69% funded at 31 March 2013 to 76% at 31 March 2016. Total contributions are expected to increase for 2017/18 above those planned following the 2013 Actuarial Valuation by £1.0m (£87.6m compared to £86.6m). The Committee has noted the results of the Actuarial Valuation

5. The Committee has approved the Funding Strategy Statement ("FSS"). The purpose of the FSS is to set out a clear and transparent funding strategy that will identify how each Fund employer's pension liabilities are to be met going forward. The key points of the statement are shown below:

- The target recovery period for the Fund as a whole is 18 years at this valuation which is 3 years shorter than the corresponding recovery period from the previous valuation. Subject to affordability and other considerations, individual employer recovery periods would also be expected to reduce by 3 years at this valuation
- Following a key change to the method of valuing the Fund's liabilities from Gilts+ to CPI+, it is proposed at this valuation the real return over CPI inflation for determining the past service liabilities is 2.15% per annum and for determining the future service ("Primary") contribution rates is 2.75% per annum.

Administering Authority – Administration Update

6. The Committee has noted the general update from the Administering Authority in relation to the Pension Fund Triennial Valuation 2016, Government Consultations, admissions to the Fund, pension taxation limits, and GMP Reconciliation.

Pension Fund Investment update

7. The Committee has noted the Independent Financial Adviser's fund performance summary and market background.

8. The Committee has noted the update on the Investment Managers placed 'on watch' by the Pension Investment Advisory Panel, namely JP Morgan – Emerging Markets and JP Morgan – Bonds.

9. The Normura portfolio has outperformed target performance of +1.5% over the past year and three years in line with the contract required performance, and therefore the Pension Investment Advisory Panel recommended and the Committee has agreed that Nomura be taken off 'watch'.

Mr R W Banks
Chairman

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the Pensions Committee held on 7 December 2016.

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COUNCIL
12 JANUARY 2017**REPORTS OF COMMITTEES****(d) SUMMARY OF DECISIONS TAKEN BY THE PLANNING
AND REGULATORY COMMITTEE**

Applications

1. The Committee approved the following applications subject to detailed conditions:
 - Proposed change of use of agricultural buildings and associated land to reclamation facility (MRF) at Weights Farm, Weights Lane, Redditch, Worcestershire
 - Proposed construction of a single storey building to form an early years cabin and forest school boot room at Blackwell First School, St Catherine's Road, Blackwell, and
 - Proposed change of use from mixed use D1 (Libraries) and B1 (Offices) to mixed use D1 (Libraries), B1 (Offices) and A2 (Financial and Professional Services) at Redditch Library, 115 Market Place, Redditch, Worcestershire.
2. Details of the above application can be found in the agenda papers for the Committee meeting held on 6 December 2016.

Mr R C Adams
Chairman

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meetings of the Planning and Regulatory Committee held on 6 December 2016.

COUNCIL
12 JANUARY 2017**CONSTITUTIONAL MATTERS – REPORT OF THE CROSS-PARTY COUNCIL WORKING GROUP**

Recommendation

- 1. The Head of Legal and Democratic Services recommends that Council considers the procedural alteration proposed by the cross-party Council Working Group set out in this report.**

Background

2. Earlier this year, Council resolved to form a cross-party working group to consider how better use might be made of the opportunities that full Council meetings represent, and how every Councillor can make a strong personal contribution for the benefit of residents and the county.

3. The Council Working Group (the CWG) has been considering a number of issues which may improve Council meetings and the role of members. Engaging with all members is an important part of that process, and there has been a recent questionnaire seeking their views. The CWG will be meeting again in the New Year to consider the questionnaire responses, which will help inform its deliberation over any proposals to make to Council.

Rationale for change

4. In the meantime, however, one specific issue has been considered by the CWG which is urgent. The CWG has been considering whether the budget-setting process could be improved. Setting the budget and precept is a vital task for full Council to perform. At present, *alternative* budgets must be filed ahead of the Council meeting, but budget *amendments* may be moved during the debate itself.

5. There was a view that this meant that budget amendments proposed on the day could not be given full consideration and their merits not properly identified, and so there were advantages in ensuring that all proposed amendments to the budget were also filed ahead of the meeting to promote good decision-making. This could also improve the transparency of the Council's deliberations as all budget proposals would be published in good time ahead of the Council budget debate and decisions.

Proposal

6. A majority of the CWG supported this proposed change. The CWF considered that the deadline for both alternative budgets and budget amendments should be the same, and that it was sensible for this to coincide with that for filing Notices of Motion (ie 5

working days before the meeting). The CWG underlined the point that all political groups therefore would need timely access to advice from the Chief Financial Officer or his senior colleagues to assist them ahead of the proposed deadline. It was also felt appropriate for the Chairman to be given discretion to allow a "late" budget amendment in urgent or exceptional circumstances to ensure procedural rules did not unduly obstruct the business of Council.

7. The Council Working Group therefore proposed the following amendments with immediate effect so that paragraph 2.5 of the Budget and Policy Framework rules would read as follows:

'To ensure that the obligations contained in Section 25 of the Local Government Act 2003 are fulfilled and to allow prior consideration by all Groups, alternative budget, Council Tax proposals, or proposed amendments to the budget recommended on behalf of the executive must be lodged with the Chief Executive by noon 5 working days prior to the meeting scheduled to determine the budget and Council Tax precept (i.e. by the Thursday preceding the Council meeting on Thursday). The Chief Executive will ensure that all such proposals for alternative budget, Council tax precept or amendments to the recommended budget are passed to the Chief Financial Officer and all Group Leaders as soon as practicable after receipt. This provision is without prejudice to the rights of the executive to accept, partially adopt any such proposals or alter its recommendations in the light of them at the budget Council meeting itself, provided the Chief Financial Officer is able to comply with his statutory obligations. The Chairman of Council may also permit an amendment to be moved which has not met the above requirements if he or she considers there are urgent or exceptional circumstances which justify this.'

8. This proposal only affects proposed amendments to the budget or alternative budgets. It would have no application to other motions or rules of debate.

9. The CWG would intend making a further report to Council once it has considered the responses to the Member questionnaire.

Privacy, Public Health, Equality and Diversity implications

10. None.

Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for Council 14 January 2016.

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COUNCIL
12 JANUARY 2017**NOTICES OF MOTION**

Notices of Motion Received

1. The Head of Legal and Democratic Services reports that he has received the following Notice of Motion. The Constitution provides that any submitted motion must be moved and seconded at the meeting. Otherwise, unless postponed with the consent of the Council, it will be treated as withdrawn.
2. If a motion is in relation to the exercise of an executive function it will be referred to the Cabinet for decision (if applicable this will be indicated below). Otherwise the Council may decide itself to determine the Motion, or refer it to the Cabinet or another appropriate Committee for advice before determining it at the next available meeting.

Notice of Motion 1 – Motor Neurone Disease (MND) Charter

3. **This motion is not in relation to the exercise of an executive function and the Council may decide to determine the Motion.**
4. Notice of Motion standing in the names of Mrs R E Jenkins, Mrs F M Oborski, Mrs M A Rayner and Mr M E Jenkins:

"This motion is to endorse the Motor Neurone Disease (MND) Charter, which sets out the care and support that people who are living with MND and also their carers deserve and should expect and to call upon the Cabinet Member for Children and Families to ensure the Council adopts the Charter.

By adopting the MND Charter, this Council would be agreeing to promote the Charter and to make it available to all councillors, council staff, partner organisations and health and social care professionals who deliver services for the council.

As Worcestershire County Council we would raise awareness of MND and what good care for those living with this devastating disease looks like, as stated in the Charter, and we will do everything we can as the Council to positively influence the quality of life for local people with MND and their carers living in our community.

Adoption would also mean taking on successful steps including identification of key programme leads by the Council, publicity and developing links with the Motor Neurone Disease Association who would provide resources and advice."

Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) there are no background papers relating to the subject matter of this report.

COUNCIL
12 JANUARY 2017**KEY ISSUES DEBATE – COUNCIL AS CORPORATE PARENT**

1. The Council's Constitution allows for the Council to hold Key Issues debates. These are intended to allow Councillors to have a wide-ranging discussion (without necessarily the constraints associated with formal proceedings of the Council) on a specific issue of interest particularly in circumstances where policy or practice has yet to be determined. This Key Issues debate will focus on the role of the Council and all its councillors as Corporate Parent.
2. To facilitate this debate the Director of Children, Families and Communities has prepared a briefing paper on the topic for all councillors, and will make a presentation on the day with the Cabinet Member with Responsibility to help stimulate discussion. There will also be young people present to contribute to the debate (A copy of the briefing paper is enclosed with this agenda and is also available with the agenda papers on the Council's website).
3. As with other Key Issues debates the Council will not take any decisions or vote on the matter under debate, but any key points which emerge from it will be used to inform future consideration of this issue. Any emerging views will also be used to inform the Council's continuing provision for any child where the Council is the Corporate Parent.
4. Members might want to consider the following questions for debate among others:
 - What training they would find helpful in order to fulfil their corporate parenting role?
 - What information they would find useful in order to fulfil the role?

Supporting Information

Appendix 1 - Briefing note – Corporate Parenting Responsibilities

Appendix 2 - Corporate Parenting Board - Terms of Reference

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Background Papers

In the opinion of the proper officer (in this case the Director of Children, Families and Communities) there are no background papers relating to the subject matter of this report.

WORCESTERSHIRE COUNTY COUNCIL

BRIEFING NOTE – CORPORATE PARENTING RESPONSIBILITIES

Introduction

This briefing note sets out the responsibilities that County Councillors have as corporate parents to inform the County Council discussion on 12 January 2017.

When a child comes into care and becomes a looked after child, the County Council becomes their Corporate Parent. Looking after other people's children is one of the most important things that Councils do and it is the responsibility of all councillors, not just the Cabinet Member for Children and Families.

Put simply, the term 'Corporate Parent' means the collective responsibility of the whole Council, elected members, employees, and partner agencies, for providing the best possible care and safeguarding for the children who are looked after by the Council. Every member of the Council has the statutory responsibility to act for, and on behalf of that child in the same way that a good parent would act for and on behalf of their child.

Being a good corporate parent means:

- Accepting responsibility for all children in the Council's care
- Making their needs a priority
- Seeking the same outcomes any good parent would want for their own child
- Listening to the views of children and young people and taking account of them
- Giving young people the support they need as they move into adulthood

What is corporate parenting?

When a child has to enter the care of Worcestershire County Council for whatever reason, the tasks that would normally be the responsibility of their parents become the responsibility of everyone at the council.

This means that we have a legal and moral responsibility to improve the lives of all of those we look after and who leave our care. Just as we would with our own children, we must prioritise their needs and create the right conditions for them to thrive and have happy and fulfilling lives. This is a priority across the whole council and not just for those working in children's services.

Good corporate parenting requires ownership and leadership at the most senior level and this includes elected members. As corporate parents, it is the responsibility of all elected members to be satisfied that there is a joined up, effective and holistic approach to meeting the needs of children looked after and care leavers through policy and planning. This means that when policy is being set or plans are agreed it is important to consider opportunities for improving outcomes for children looked after. The Corporate Parenting Board leads for the Council in fulfilling this

responsibility, but it is also important that each Councillor is aware of the vital role that they can play. This can be through scrutiny, through input at council meetings and through day to day engagement with the local community including schools, health care providers and other organisations in local areas. There is also an interface with District colleagues and wider partners, for example housing.

Why is corporate parenting important?

Children looked after are among the most vulnerable children in our community. They are unable to live at home with their immediate family, for any number of reasons, and they become looked after by Worcestershire County Council. This may be through a voluntary agreement with the child's parents or through a court order. Whatever their journey into care looks like, most children looked after will have experienced some form of neglect, harm or emotional distress in their lives before becoming looked after.

Outcomes for children and young people who are in, or have left care, remain stubbornly worse than for other children and is something for which we must take collective responsibility. They do not do as well at school, are less likely to go on to higher education, more likely to be not in education, employment or training (NEET) and are over-represented in youth offending institutions. There is also a long term impact when children looked after become parents themselves.

- At key stage 2 outcomes for children looked after are below that of their peers in Worcestershire and below national benchmarks. In 2016 only 15% of children looked after achieved the expected standard in reading, writing and maths.
- At key stage 4 only 15% of children looked after by the council and attending school in Worcestershire achieved 5 A*-C grade GCSEs
- Children looked after are more likely to be excluded from school than their peers

As corporate parents elected members can play a key part in narrowing the gap in outcomes between children looked after and other children in the community. The part you can play as an elected member is to engage with your local school and pre-school providers and to support local foster carers in linking with local community groups.

Corporate Parenting Strategy

The current Corporate Parenting Strategy is due for renewal. This strategy outlines the pledge that the Council makes to children in care and will be considered by the Corporate Parenting Board at its meeting in April 2017. The strategy will be shaped by children in care working with officers to make sure that there is a clear and accountable ambition for our children that the Corporate Parenting Board can oversee.

The Corporate Parenting Board is chaired by the Cabinet Member with Responsibility for Children and Families and consists of County Councillors, District Councillors, and representatives from the children in care councils, health, education, voluntary sector

and Council officers. It is open for all County Councillors to attend as an observer to gain a full understanding of the work that the Board oversees.

What should Councillors do?

As an elected member you can help by playing an active role in your community, by regularly attending meetings of organisations that have involvement with children and who will provide a valuable source of information in helping you to identify the local issues affecting children, and to ask those questions that will give you confidence that local services are supporting their welfare.

All councillors should be aware of their corporate parenting responsibilities. This will be supported through training sessions on the role of a corporate parent, which will also form an element of the induction process for councillors following elections in May 2017. Support from officers and training will enable councillors to undertake their role in the most effective and timely way and develop knowledge in the following areas:

- Have a clear understanding and awareness of the issues for children looked after and care leavers in the authority area and those placed out of area
- Champion the interests of children looked after and care leavers in all they do by ensuring those who are responsible for their welfare and education are held to account.
- Ask questions and constructively challenge outcomes for children looked after and care leavers
- Communicate with children looked after and care leavers through appropriate channels so they have a say in how decisions are made about the services that affect them, so that they can influence those decisions positively.

Consistently ask “*Would this be good enough for my own child?*”

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CORPORATE PARENTING BOARD TERMS OF REFERENCE

Purpose of the Corporate Parenting Board

Worcestershire County Council looks after approximately 700 children who are unable to remain in the care of their parents. When a child becomes 'looked after' the tasks of their parents become the corporate responsibility of the County Council.

This is known as 'corporate parenting' and it is the collective responsibility of the council to prioritise the needs of children in care and seek for them the same outcomes any good parent would want for their own children.

There are three defining themes for achieving better outcomes for children in care and their families through excellent corporate parenting. These are high aspirations, stable relationships and taking time to listen to the voice of the child.

The Corporate Parenting Board is designed to provide the necessary leadership that drives an ambitious and multi-agency approach to improving outcomes for children in care and care leavers. It will oversee satisfactory completion of actions identified within the Board's strategy and will promote the pledges within the Children in Care Charter in a way that becomes meaningful to corporate parents and officers who work with children in care and care leavers. In order to undertake these functions well it must work in a way that ensures the voice of children and young people is influential in decision making.

1. Role and Remit of the Corporate Parenting Board

The Corporate Parenting Board was established by the County Council's Cabinet in July 2004 in order to develop a Corporate Parenting Strategy and progress the Corporate Parenting agenda.

The Board is a cross-party advisory body to the Council's Executive and others and is chaired by the Cabinet Member with Responsibility for Children and Families (as appointed by the Leader of the Council from time to time).

The Board does not take executive decisions but provides leadership and a governance structure for corporate parenting in order to drive forward the outcomes for Looked After Children and Care Leavers.

The Board will:

- Make sure that the whole council and partner agencies commit to the principles of excellent corporate parenting.

- Set high expectations and seek to improve long term outcomes for all children in care – their happiness, wellbeing, educational success and future prospects
- Make sure that the voice of the child and young person in care influences both policy and the services that they receive, and that young people are engaged with any action intended to develop and improve services or to recruit key staff members
- Ensure that there is a good understanding of current and proposed government expectations regarding the services to Looked After Children and Care Leavers.
- Receive reports on qualitative and quantitative information about services and outcomes and review the progress of the Children and Young People's Plan with regards to Looked After Children and Care Leavers.
- Lead on the development, review and promotion of the Corporate Parenting Strategy across the Council and involve partners in order to improve services and respond to changing needs.
- Celebrate the successes of children in care and care leavers
- Develop an informed view of County Council provision and services through a programme of well-planned visits and feedback from Board members.
- Link as appropriate with the Children and Families Overview and Scrutiny Panel.
- Develop a relationship with Worcestershire Safeguarding Children Board and Worcestershire Safeguarding Adult Board for sharing information.

2. **Membership of the Corporate Parenting Board**

County Councillors (voting)

- Cabinet Member with Responsibility for Children, Families and Communities (Chair).
- 2 further Conservative Members
- 1 2013 Group Member
- 1 Labour Member
- 1 IA Member.

(Representative of the political groups will be as nominated by their respective Group Leaders from time to time.)

District Councils (voting)

- 1 representative from each of the 6 District Councils within Worcestershire (i.e. Bromsgrove, Malvern Hills, Redditch, Worcester City, Wychavon and Wyre Forest) as nominated by each District Council with the expectation that the nominee will be the Children and Young People's Champion for that particular Council.

Children in Care and Care Leavers representatives (Co-opted non-voting)

- 2 representatives from Children in Care and Care Leavers (Attendees to be nominated by a representative of the Director of Children, Families and Communities)

Family/carer representatives (Co-opted non-voting)

- 2 representatives from families and carers (Attendees to be nominated by a representative of the Director of Children, Families and Communities)

Attendance by Others (Non-voting)

- The Board will be supported by the Director of Children, Families and Communities and/or her staff.
- Representatives of Health bodies.
- Appropriate Cabinet Members with Responsibility, other elected members, officers of the Councils (County and/or districts) or any other individual or organisation may be invited by the Board or the Chair to attend Board Meetings as guests e.g. when relevant to their portfolios or office are considered. Such attendees are not members of the Board but may address the Board or respond to its questions at the discretion of the Chair. Reasonable notice of an invitation will be provided to such invitees.

3. Frequency of Meetings and Items of Business

- A Vice-Chairman will be appointed from amongst the County Council membership of the Board at the first meeting following the County Council elections. The Vice-Chairman shall not be a member of the County Council administration. The term of office will be for the life of the Council unless that Member ceases to be a member of the Board
- The Corporate Parenting Board will meet at least 6 times a year at County Hall.
- Agendas and reports for the Board will be sent out by or on behalf of the Director of Children, Families and Communities at least one week prior to

each meeting (based on a forward planning process of agenda items). If a report is unavailable at the time of despatch of the agenda then it will be circulated as soon as it becomes available.

- Urgent agenda items which are not on the agenda may only be considered with the consent of the Chair. In the absence of the Chairman, the Vice-Chairman be authorised to give consent to urgent items.
- Urgent meetings of the Board may be called by the Chair.
- The Board will not meet in public.
- The Board will endeavour to operate by consensus. Should the Board need to take a decision other than by consensus, then each member of the Board present shall have one vote, and in the event of a tie the Chair may exercise a second or casting vote.
- A meeting is only a quorum if three elected members of the Board are present.
- Substitutions should not be appointed.
- Informal sub-groups can be established by the Board as and when required in relation to particular subject matters. The size and membership of the sub-group will be determined by the Board. The sub-group would report their findings back to the Board.

4. Objectives

The Corporate Parenting Board will oversee the implementation of the Corporate Parenting Strategy and the link into Worcestershire's Children and Young People Plan.

5. Reporting

The Corporate Parenting Board will produce an Annual Report in March each year on their work and findings over that year. This will be presented to the Cabinet Member with Responsibility for Children, Families and Communities, the Director of Children, Families and Communities and the Chief Executive of the County Council, and reported through the Health and Well-being Board, the Children and Families Overview and Scrutiny Panel and the Children in Care Council. The Cabinet Member with Responsibility for Children, Families and Communities will make reference to the Annual Report in his/her report to Council. District Council representatives will report to their Councils as appropriate.

6. Scrutiny

The Board is not a statutory Scrutiny body. If there is a specific need for informal Scrutiny on an issue related to Looked After Children, individual (non-Cabinet) members of the Corporate Parenting Board could be co-opted to carry out the

Scrutiny as part of a Scrutiny Task Group reporting back to the Children and Families Scrutiny Panel or Overview and Scrutiny Performance Board as required.

SL - September 2016

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COUNCIL
12 JANUARY 2017**ANNUAL REPORT OF THE CHAIRMAN OF THE OVERVIEW
AND SCRUTINY PERFORMANCE BOARD**

Recommendation

- 1. The Head of Legal and Democratic Services recommends that the Council receives the annual report of the Chairman of the Overview and Scrutiny Performance Board for 2016.**
2. The Council will be asked to receive this report and to receive answers to any questions on it.

Supporting Information

Appendix - Annual report of the Chairman of the Overview and Scrutiny Performance Board for 2016.

Contact Points

County Council Contact Points
County Council: 01905 763763
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Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) there are no background papers relating to the subject matter of this report.

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Overview and Scrutiny **Annual Report 2016**

January 2017

www.worcestershire.gov.uk



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Foreword

I am pleased to present to Council the 2016 Overview and Scrutiny Annual Report.

It has been a challenging year with many changes. We lost two members of the Overview and Scrutiny Performance Board (OSPB) who joined the Cabinet; Dr Ken Pollock and Andy Roberts. We thank them for their scrutiny service and wish them well in their new roles. We have gained two new members of OSPB; Alan Amos and Paul Tuthill. We welcome both to the Scrutiny family.

The role of scrutiny is changing, we need to spend more of our time investigating quality assurance and helping to develop new policy; we need to spend less time looking back at past problems and mistakes. Clearly we need to learn from the past, but with the resources available to us we need to concentrate on the issues which matter most.

We should not be afraid to hold Cabinet and Officers to account; it is our job to question and to seek assurances. We should not be reluctant to speak truth to power, even if by doing so we are challenging friends and colleagues. The County Council is the chief forum of the County; people look to us to question, challenge and propose alternatives. I hope that in the years ahead we will continue to have adequate funding to enable us to do such a job.

It is right that we also try to seek scrutiny of agencies outside the Council. We may not have direct responsibility for their work, but we have a duty and a role to scrutinise anybody who provides services to Worcestershire people. Clearly we cannot force people to speak to us, but I hope that the few who decline will reflect and reconsider; nobody needs to be afraid of scrutiny.

The year ahead will have its challenges and difficulties, but I hope scrutiny will be a constant feature, questioning, suggesting and proposing change. I look forward to the co-operation of the Cabinet and the Executive, which will ensure we all do a good job for the County.

I would like to thank all scrutiny members, and in particular the members of the Overview and Scrutiny Performance Board, for their hard work and commitment over the year. Also, I would like to place on record my appreciation and thanks to the Scrutiny Team; without their help, patience and assistance the job of scrutiny would be impossible. I would to personally thank my Vice-Chairman Liz Eyre, without her challenging and questioning it would be a more difficult job, especially when she challenges and questions my decisions; I am grateful for her work and dedication.

This report highlights some of the key activities that have taken place during the year but if you would like to know anything more we would be delighted to talk to you. Contact details for the Scrutiny Team can be found on the back cover and you can find out more about our work by visiting our website at www.worcestershire.gov.uk/scrutiny

A handwritten signature in black ink that reads "Richard Udall". The signature is written in a cursive style with a long horizontal stroke at the end.

Councillor Richard Udall
Chairman, Overview and Scrutiny Performance Board

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Introduction

This report highlights some of the key pieces of work from the past year. The complete work programme can be seen at **Appendix 1**.

The remits of all the scrutiny bodies and their memberships can be found at **Appendices 2 and 3** and **Appendix 4** shows activity data.

Overview and Scrutiny Performance Board

The OSPB has considered a wide range of issues in 2016. These have included strategic Council-wide matters, such as the Use of Consultants, Quality Assurance, the Council's approach to Equalities and Diversity, the new Leader's Vision, the Refresh of the Corporate Plan and the Annual Community Safety discussion with key partners.

In fulfilling its role to co-ordinate the scrutiny function, the Board has agreed scrutiny reports on the 2016/17 Budget and Increasing Physical Activity and considered how to take forward budget scrutiny for the current year.

Scrutiny Annual Work Programme for 2016/17

This year, the Board's consultation on the annual Work Programme for 2016/17 was more extensive than ever before. The rolling Programme was developed by taking into account the results of the consultation exercise, which sought the views of Members as community champions, the Executive, officers, stakeholders, partners and the public. It also took into account the budget scrutiny process.

The consultation was promoted by the local press and radio, the Council Twitter feed and Facebook page, partner agencies and groups (including health partners), Local Enterprise Partnership (LEP), the Voluntary and Community Sector, Council's Viewpoint Group, all parish councils and an internal news article to encourage staff responses.

In total, 3000 suggestions were received, which we were very encouraged by and from which we were able to carry out some analysis to identify a list of priority topics.

Quality Assurance

The Vice-Chairman of the Board looked into the role of Overview and Scrutiny Panels in carrying out their quality assurance role and developed a proposal, which the Board agreed and included suggestions for training for the Board and Panels and also training for new members as part of the Council's 2017 induction programme. It also suggested sessions for all scrutiny members covering familiarisation with specific directorate quality assurance arrangements, service budgets, service scope, Key Performance Indicators, quality assurance data and council complaints data.

Call-in

The Board considered two call-ins¹ this year, in July and October. Both were in relation to the redesign of the 0-19 Service into a prevention and early help service, which in future will aim to provide a universal service with greater resources targeted at those most in need. The call-ins were specifically related to the Provision of Effective Prevention Services for Children and Young People including Optimising the Use of Children's Centre Buildings. It was one of the most controversial issues considered by Scrutiny this year and was a very thorough and resource intensive process, which attracted a lot of public and media attention. The Children and Families Overview and Scrutiny Panel, who played a significant role also in scrutiny of this Service re-design, continue their involvement moving forward.

The Cabinet's decisions were on both occasions accepted by the Board but with comments in July and qualification in October; the Board felt that this was important in order to achieve the best possible outcomes for the residents of Worcestershire.

Task Groups

In addition, there are ongoing scrutiny task groups examining the following issues:

- Footways
- Commissioning: staff terms and conditions
- Effectiveness of the prevention and recovery drug and alcohol misuse service
- Budget 2017/18

Adult Care and Well-being Overview and Scrutiny Panel

Worcestershire's Care Market

The care market for domiciliary and residential care has remained an area of focus for the Panel. During discussion with care providers, the Panel expressed concern about the increasing, significant pressures on the care market, including the fact that providers lose money on council placements. The value of the Council-commissioned care market review was recognised, and the Panel will continue to monitor progress towards more sustainable services in 2017, including commissioning arrangements which focus on outcomes.

Drug Recovery Treatment

The Panel discussed performance in successful completion of treatment for opiate users with the new provider, Swanswell, which highlighted the complexity of the profile of drug users in Worcestershire and the provider's work to engage and make services more accessible. Overall the Panel was impressed and encouraged by what they had heard about Swanswell's treatment for drug abuse, including powerful testimonies from previous service users, who had successfully completed treatment for heroin addiction, and who were now peer mentors for the service in Worcestershire.

¹ A call-in is essentially one of the tools available to non-executive Councillors to hold the Executive to account for the decisions that they take, call-in is not a process to question the merits of a decision, it is a process to ensure that the principles of good decision making have been applied to the decisions that have been taken by Cabinet.

Learning Disability Day Services

The Panel reviewed services for people with learning disabilities, following the 2011 decision to pilot a new approach, to reflect changing expectations and individuals wanting to be more independent and be part of their communities.

It was acknowledged that demand for services would change over time with the transition from children to adult services and increased take up of direct payments. There was potential for increased support for employment or volunteering opportunities, which the Panel has added to its work programme.

Safeguarding Adults

During the Panel's annual update with Worcestershire's Safeguarding Adults Board Independent Chair, concern was expressed about the worrying increase in safeguarding alerts. However, it was understood that reporting methods and awareness raising have improved and under-reporting would be a worry.

Children and Families Overview and Scrutiny Panel

0-19 Prevention Service and Children's Centres

On a number of occasions, throughout the year, the Panel has considered the ongoing redesign of the 0-19 prevention and early help service, which in future will aim to provide a universal service but with greater resources targeted at those most in need. Following discussion of proposed service developments in February and March, Members met with Early Help Providers and Schools in July, as more detailed plans for the service emerged. The Panel also contributed to the consultation on the future use of Children's Centre buildings, one of the most controversial issues that Scrutiny has been involved in in 2016, and one that has seen much public engagement. The Panel has been involved in questioning and challenging the plans for this Service throughout the process and will continue to do so to ensure the best outcomes for Worcestershire residents.

Children Educated Otherwise

The Panel considered an overview of the provision for young people of compulsory school age defined as being 'educated otherwise' ie learners who are in receipt of alternative provision (including hospital or medical education), and elective home education. The discussion highlighted concerns - shared by the Independent Chair of the Worcestershire Safeguarding Children Board - about the local authority's scope to inspect provision, beyond initial checks.

Monitoring the Effectiveness of the Learning and Achievement Service Commissioned to Babcock Prime

On 1 October 2015, the majority of the Council's Learning and Achievement Services were commissioned to Babcock Prime. Once the contract had been running for several months, the Panel met with the Strategic Commissioner – Education and Skills, to discuss the measures and resources in place to monitor and manage the delivery of the education services commissioned.

Corporate and Communities Overview and Scrutiny Panel

Trading Standards and Animal Health

The Panel received an update on Trading Standards and Animal Health which moved back from being delivered as a shared service by Worcestershire Regulatory Services to being provided in-house as of 1 June 2016, a change which was supported by Members of the Panel.

Future Proposed Changes to Library Opening Hours

As part of the consideration of proposed changes to Library opening hours, the Panel had the opportunity to question and challenge the proposals. Some Councillors were able to provide local knowledge to ensure that the changes to the service were the best fit for the community.

Property Asset Strategy

As part of the Panel's scrutiny of the Council's use of property, Members considered the Property Asset Strategy and how the services provided by the Place Partnership are monitored and the Small Holdings Strategy. The Panel welcomed the opportunity to consider the detail of the Small Holdings Strategy, including its history and ideas for the future. The Panel was also given the opportunity to speak to the Place Partnership to understand, one year on since inception, how the relationship with the County Council and partners was developing and the achievements so far.

Economy and Environment Overview and Scrutiny Panel

Ketch Roundabout

The Panel considered lessons learned from the Ketch Roundabout, which had resulted in public concerns and safety action. The Panel welcomed the change to ways of working and the fact that preparation and monitoring around opening a new road set up to live traffic was now top of the agenda.

Highways Development Management Processes – Section 278 and 106

An overview on Highways Development Management processes was provided, in particular to understand processes and obstacles around more efficient use of funding received from developers for infrastructure development.

Processes were complex, and the County Council was a consultee in the process; it was the responsibility of district councils to oversee the conditions attached to approval of each scheme. However, the Panel welcomed further detail on the County Council's current and proposed development management process, including the evidence base, control statistics, the Council's transport-related development control process, issues and involvement of county councillors – a further update on new processes will be provided in early 2017.

Transport and Access to Hospital

Questions on transport and access to hospital were put to those leading the review into the Future of Acute Hospital Services in Worcestershire, as well as representatives from the Council's Transport Commissioning Team and Worcestershire's Acute Hospitals Trust.

The Panel felt reassured by the work in hand, although ownership of transport and access provision would be important and it was suggested more could be achieved through maximising use of infrastructure and the accessibility of hospital sites.

Health Overview and Scrutiny Committee (HOSC)

Acute Hospital Services

Pressures on Acute Hospital Services have continued, and the Health Overview and Scrutiny Committee has requested regular updates to seek assurances that clinical standards are being maintained, including lessons learned from the Care Quality Commission inspection of Radiology, and temporary emergency changes made to Paediatric Inpatient Services at the Alexandra Hospital and to Maternity Services.

The HOSC has appreciated the Hospital Trust's honesty and visible progress, although issues clearly remain, which it will continue to monitor. As the review to reconfigure acute hospital services in Worcestershire reaches its final stages, it is hoped that removal of this uncertainty will aid recruitment alongside partnership working as part of national sustainability and transformation plans.

Public Health Ring-fenced Grant

HOSC members discussed concerns about the impact of reductions in funding from the Government, with the Director of Public Health, and the main service provider. Concerns were expressed about obesity levels, mental health services and generally that budgets were being stretched across a vast remit. However, the Head of Public Health was congratulated on her handling of the situation. The HOSC plans to monitor the on-going impact of the grant reductions.

Sustainability and Transformation Plans

The HOSC requested an overview of the development of the Sustainability and Transformation Plan for Herefordshire and Worcestershire, and looks forward to more involvement as the detail of plans emerges.

Scrutiny Task Groups

Increasing Physical Activity Scrutiny Task Group

Following an OSPB discussion in early February 2015 about the Worcestershire Public Health Annual Report 2014, which highlighted the need to increase opportunities for participation in physical activity and suggested there was fragmentation of responsibility between organisations in the County, a Scrutiny Task Group was set up. The Task Group reported in May 2016.

Footways Scrutiny Task Group

This Scrutiny was established to investigate the condition of Worcestershire's footways, how funding is prioritised and allocated, and the potential impact of plans for increased integration of Public Rights of Way work with highways work. The Task Group will report in January 2017.

Budget 2017/18 – Scrutiny

A cross party group of Councillors has been set up to undertake 2017/18 budget scrutiny. In November 2016, the Overview and Scrutiny Panels held discussions with Cabinet Members and Directors and the Panels' views were fed back to the Scrutiny Task Group. The Task Group also met with Group Leaders, and the Chief Executive and the Leader of the Council to discuss the direction of the 2017/18 budget.

The Task Group will report its findings to Cabinet in February 2017.

Commissioning: Staff Terms and Conditions

This scrutiny is looking at how the Council ensures that those it commissions from are fair employers. The Task Group is due to report in early 2017.

Effectiveness of the Prevention and Recovery Drug and Alcohol Misuse Service

This Scrutiny is investigating how the County Council, with partners, is developing prevention and recovery approach and an effective service to help reduce drug and alcohol misuse. It is also investigating how effectively the Council is working with other agencies to improve the help and advice provided to addicts and their families. The Task Group is due to report in early 2017.

APPENDIX 1 - Overview and Scrutiny Work Programme 2016

Overview and Scrutiny Performance Board

- Budget Scrutiny 2016-17
- Audit and Governance Committee: Use of Consultants
- Update 2015/16 Scrutiny Work Programme
- Developing a Scrutiny Approach to Quality Assurance
- 2016/17 Scrutiny Work Programme Consultation
- Discussion with New Leader
- Draft Scrutiny Report: Increasing Physical Activity in Worcestershire
- Scrutiny Proposal: Bus Transport Review
- Equalities and Diversity
- Call-in of the Cabinet Decision on the Provision of Effective Prevention Services for Children and Young People including Optimising the Use of Children's Centre Buildings
- Annual Worcestershire County Council Community Safety Report
- 2016/17 Budget Scrutiny Planning
- Corporate Plan Refresh – Shaping Worcestershire's Future (2017-2022)
- Call-in of the Cabinet Member Delegated Decision on Optimising the Use of Children's Centre Buildings in the Context of Effective Prevention Services in Children and Young People

Adult Care and Well-being

- Budget and Performance Monitoring: Adult Services and Health
- Drug Recovery Treatment – Performance Update
- Review of the Care Market
- Developing an Overview and Scrutiny Work Programme
- Council Website for Adult Social Care and Health: Your Life Your Choice
- Learning Disability Day Services
- Overview and Scrutiny Work Programme 2016/17
- Social Impact Bonds
- Care Act 2014 – Update
- FutureFit – Proposals for Change and Reform to Support the Medium Term Financial Plan: Adult Social Care
- Safeguarding Adults

Children and Families

- Budget and Performance Monitoring: Children and Families
- Children with Disabilities – Commissioning Update
- The Educational Attainment of Worcestershire Looked After Children
- Child Sexual Exploitation: Update on the Implementation of the Action Plan
- Prevention Policy and 0-19 Services Commissioning Plan
- 0-19 Prevention Service and Children's Centres
- Developing an Overview and Scrutiny Work Programme
- Educational Outcomes 2015 including OFSTED Update
- Children 'Educated Otherwise'
- Monitoring the Effectiveness of the Learning and Achievement Services Commissioned to Babcock Prime
- Update on Back to Basics Safeguarding Improvement Plan
- Stronger Families Programme Update

- The Provision of Effective Prevention Services for Children and Young People including Optimising the Use of Children's Centre Buildings
- Worcestershire Safeguarding Children Board Annual Report
- FutureFit – Proposals for Change and Reform to Support the Medium Term Financial Plan: Children and Families
- Children's Social Care Safeguarding Assurance Update

Corporate and Communities

- Budget and Performance Monitoring: Commercial & Change, and Communities
- Trading Standards and Animal Health – Update
- World Class Worcestershire
- Use of Consultants
- Developing an Overview and Scrutiny Work Programme
- Future Proposed Changes to Library Opening Hours
- Overview and Scrutiny Work Programme 2016/17
- Property Asset Strategy – Update on Progress
- Update on the Smallholding Strategy and the Place Partnership Limited Relationship and Achievements
- FutureFit – Proposals for Change and Reform to Support the Medium Term Financial Plan: Commercial and Change, and Communities

Economy and Environment

- Ketch Roundabout Update
- Budget and Performance Monitoring: Economy and Environment
- Local Economic Multiplier
- Transport and Access to Hospital
- Major Infrastructure Schemes
- Overview and Scrutiny Work Programme 2016/17
- Highways Development Management Processes – Section 278 and 106
- Superfast Broadband Update
- Flood Risk Management Annual Report and the Roles of Key Risk Management Authorities
- FutureFit – Proposals for Change and Reform to Support the MTFP: Economy and Environment

Health

- Adult Mental Health Transformation
- Developing an Overview and Scrutiny Work Programme
- Future of Acute Hospital Services in Worcestershire – Update
- Quality of Acute Hospital Services – Updates
- Quality Accounts 2015-16
- Public Health Ring-Fenced Grant – Updates
- Overview and Scrutiny Work Programme 2016/17
- Temporary Emergency Change to Paediatric Inpatient Services at the Alexandra Hospital (Redditch) from September 2016
- E-cigarettes
- Scrutiny Approach: Consultation Plans for the Future of Acute Hospital Services in Worcestershire
- Wyre Forest Community Unit
- Radiology

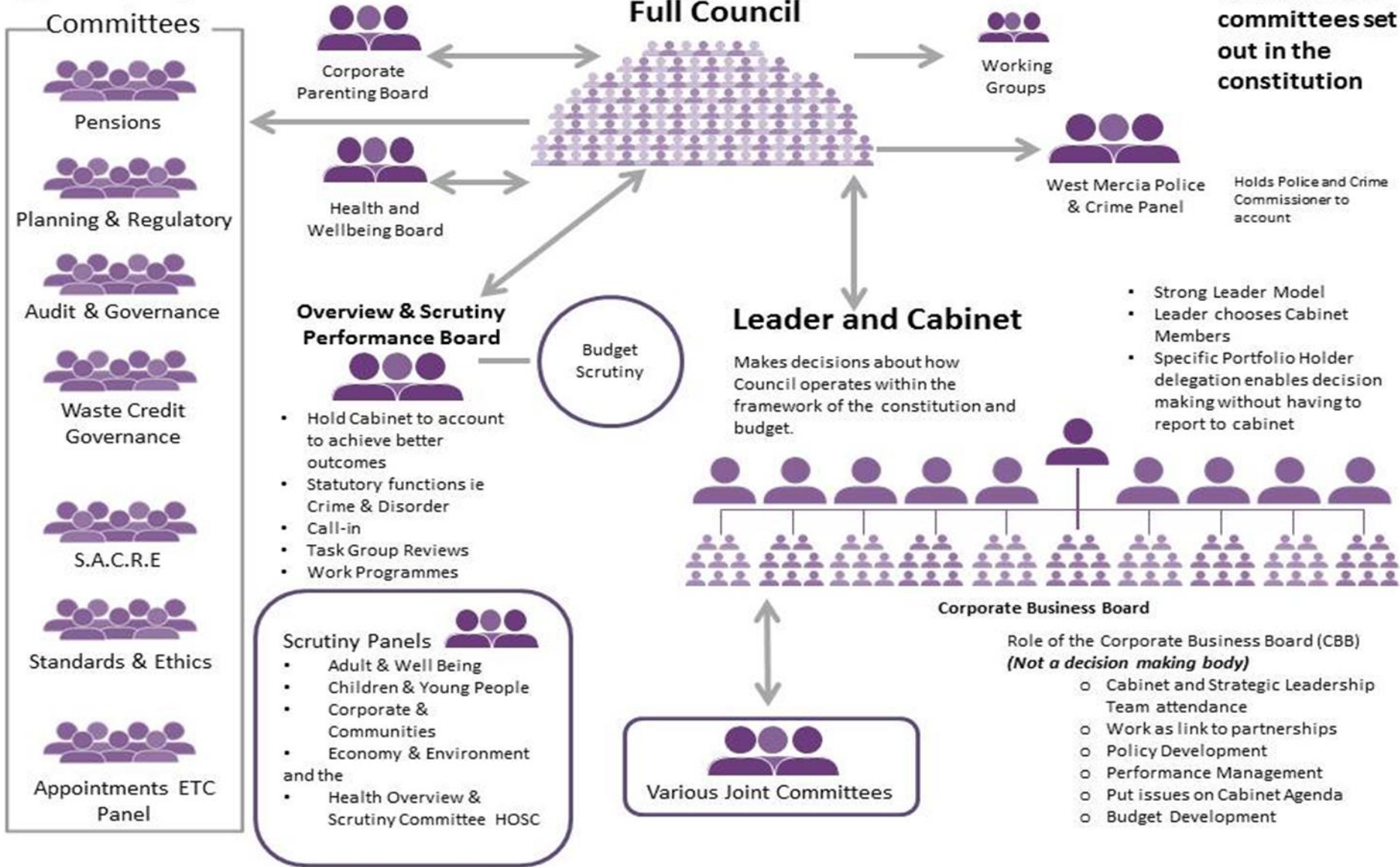
- Sustainability and Transformation Plans
- FutureFit – Proposals for Change and Reform to Support the Medium Term Financial Plan: Public Health
- Dentistry Services in Worcestershire
- Pharmacy Services in Worcestershire
- Fast Food Outlets and Health
- Stroke Services - Community Specialist Rehabilitation

Scrutiny Task Groups

- Increasing Physical Activity
- Footways
- Commissioning – Staff Terms and Conditions
- Effectiveness of the Prevention and Recovery Drug and Alcohol Misuse Service
- Budget 2017/18

Governance Model

Role of Full Council and all committees set out in the constitution



APPENDIX 3 - Membership

Overview & Scrutiny Performance Board

Richard Udall - Chairman

Liz Eyre - Vice Chairman

Chris Bloore - Crime & Disorder Lead Member

Lynne Duffy - Children & Families

Paul Tuthill (from February 2016) – Economy, Environment (Ken Pollock until January 2016)

Alan Amos (from May 2016) – Health O&S Committee (Andy Roberts until May 2016)

Kit Taylor – Corporate & Communities

Tom Wells - Adult Care & Well Being

Adult Care & Well Being O&S Panel

Tom Wells - Chairman

June Griffiths - Vice-Chairman

Rob Adams, Chris Bloore, Andy Fry, Phil Grove, Anne Hingley, Clive Holt, Mary Rayner

Children and Families O&S Panel

Lynne Duffy - Chairman

Fran Oborski – Vice Chairman

Bob Banks, Paul Denham, June Griffiths, Ian Hopwood, John Thomas
Bryan Allbut – Church of England rep
Vacancy - Catholic Diocese rep
Charmian Richardson – Parent Governor
Vacancy – Parent Governor

Economy & Environment O&S Panel

Paul Tuthill, Chairman (from February 2016) –
(Ken Pollock, Chairman until January 2016)
Graham Vickery – Vice Chairman

Alastair Adams, Alan Amos, Pat Agar, Phillip Gretton, Matthew Jenkins, Tony Muir (from January 2016), John Thomas.

Corporate & Communities O&S Panel

Kit Taylor – Chairman
Stephen Peters – Vice Chairman

Maurice Broomfield (until June 2016), Stuart Cross, Pamela Davey, Clive Holt, Robin Lunn, Liz Tucker, Paul Tuthill, Vacancy.

Health O&S Committee

Worcestershire County Council

Alan Amos – Chairman (from May 2016)

Andy Roberts – Chairman (until May 2016)

Phillip Gretton, June Griffiths, Phil Grove, Pattie Hill, Tony Miller, Fran Oborski (from May 2016), John Raine (until May 2016), Mary Rayner, Graham Vickery

District Councils

Frances Smith – Wychavon DC – Vice Chairman

Tony Baker – Malvern Hills DC
Brian Cooper – Bromsgrove DC
Nina Wood-Ford – Redditch BC
Tracey Biggs – Worcester City Council
Anne Hingley – Wyre Forest DC

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APPENDIX 4 - Performance and Activity Measures

	2011/12	2012/13	2013/14	2014/15	2015/16 <i>To Date</i>
No. of Scrutiny Reports published	3	5	7	7	2
% of scrutiny recommendations accepted by Cabinet	98	80	100	95	100
"Short scrutinies" ²	39	68	45	54	45
No. of call ins received	0	1	0	2	0
Total no. of issues considered	45	75	53	63	47
No. of meetings serviced ³	44	61	51	65	45

² Number of separate issues considered

³ OSPB/Panels/HOSC/Task Groups

Further copies of this report are available from:

Overview and Scrutiny Team
Legal and Democratic Services
Worcestershire County Council
County Hall
Spetchley Road
Worcester WR5 2NP
Tel: 01905 766916
E-mail: scrutiny@worcestershire.gov.uk
<http://www.worcestershire.gov.uk/scrutiny>

This document can be made available in other formats (large print, audio tape, computer disk and Braille) on request from the Overview and Scrutiny Team on telephone number 01905 844963 or by emailing scrutiny@worcestershire.gov.uk

If you can not understand the contents of this document and do not have access to anyone who can translate it for you, please contact 01905 765765 for help.

বাংলা। আপনি যদি এই দলিলের বিষয়বস্তু বুঝতে না পারেন এবং আপনার জন্য অনুবাদ করার মত পরিচিত কেউ না থাকলে, অনুগ্রহ করে সাহায্যের জন্য 01905 765765 নম্বরে যোগাযোগ করুন। (Bengali)

廣東話。如果您對本文檔內容有任何不解之處並且沒有人能夠對此問題做出解釋，請撥打 01905 765765 尋求幫助。 (Cantonese)

普通话。如果您对本文件内容有任何不解之处并且没有人能够对此问题做出解释，请拨打 01905 765765 寻求帮助。 (Mandarin)

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Português. Se não conseguir compreender o conteúdo deste documento e não conhecer ninguém que lho possa traduzir, contacte o 01905 765765 para obter assistência. (Portuguese)

Español. Si no comprende el contenido de este documento ni conoce a nadie que pueda traducírselo, puede solicitar ayuda llamando al teléfono 01905 765765. (Spanish)

Türkçe. Bu dokümanın içeriğini anlayamazsanız veya dokümanı sizin için tercüme edebilecek birisine ulaşamıyorsanız, lütfen yardım için 01905 765765 numaralı telefonu arayınız. (Turkish)

اردو۔ اگر آپ اس دستاویز کی مشمولات کو سمجھنے سے قاصر ہیں اور کسی ایسے شخص تک آپ کی رسائی نہیں ہے جو آپ کے لئے اس کا ترجمہ کر سکے تو، براہ کرم مدد کے لئے 01905 765765 پر رابطہ کریں۔ (Urdu)

کوردی سۆزانی. ننگۆر ناتۆانی تییگی له ناوچۆزکی له بۆلگیه و دهستت به ههچ کس ناگات که وهیگۆرتنۆه بۆت، تکلیه تهلۆن بکه بۆ ژمارهی 01905 765765 و داوای رینۆینی بکه. (Kurdish)

ਪੰਜਾਬੀ। ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਮਜ਼ਹੂਨ ਸਮਝ ਨਹੀਂ ਸਕਦੇ ਅਤੇ ਕਿਸੇ ਅਜਿਹੇ ਵਿਅਕਤੀ ਤੱਕ ਪਹੁੰਚ ਨਹੀਂ ਹੈ, ਜੋ ਇਸਦਾ ਤੁਹਾਡੇ ਲਈ ਅਨੁਵਾਦ ਕਰ ਸਕੇ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਮਦਦ ਲਈ 01905 765765 'ਤੇ ਫ਼ੋਨ ਕਰੋ। (Punjabi)

COUNCIL
12 JANUARY 2017**ANNUAL REPORT OF THE CHIEF EXECUTIVE**

1. The Annual Report of the Chief Executive is enclosed with this agenda. A colour copy is also available on the County Council's website and has been circulated digitally.
2. The Chief Executive is to make a brief presentation and will then answer questions from members of the Council.

Contact PointsCounty Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Clare Marchant, Chief Executive

Tel: 01905 846100

Email: cmarchant@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Chief Executive) there are no background papers relating to the subject matter of this report.

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1. Introduction

I write this report as we finalise budget proposals for 2017/18. However in writing this report I have focused on life in the council and county beyond the need to balance the budget. In no way does this underestimate the challenge we have financially – we are going through the most significant changes in local government financing seen in recent times – however it is the reform that this necessitates, the way we deliver this reform and the impact it has on residents that underpins being able to live within our means. This reform and the staff who deliver reform are the focus of my 2016 annual report.

I have started with why we are here – to listen to what our residents say and to continuously improve how we respond to what they say. I have highlighted the reform and change staff have delivered during 2016 and plans to continue developing our staff so we are able to be a workforce fit for the future.

I am proud of our staff, both those who work directly for the Council and those who deliver on our behalf. They are our greatest asset and investment and for that reason this report focuses particularly on their contribution. Our endeavour to deliver better outcomes for Worcestershire residents in challenging times gets even greater as we move into 2017 and I am confident we can deliver.

2. Worcestershire residents – what residents said and what we did

We have spoken to over **55,000** residents over the last 5 years. Through surveys, roadshows, focus groups and conversations, Worcestershire's residents have told us their priorities are:

- **Safeguarding vulnerable children;**
- **Protecting vulnerable adults;**
- **Maintaining roads and highways.**

In response we have invested an extra £12 million into improving our roads and £500k on footpaths; over the last three years we have spent an extra £11 million on vulnerable children; over the same period we have invested an extra £8 million on the county's most vulnerable adults.

For the first time more than **1,000** residents attended our Public Roadshows this summer. I'd like to thank all of those who came and spoke to us – it's always the most satisfying part of my role to speak to those who live and work in our ambitious county.



Public Roadshows 2016



While more than **7/10** people said they felt that they belonged to their local area, **8/10** people in the county say that Worcestershire is a good place to live and satisfaction with the county council is at **52%**, persuading people that they have an ability to influence County Council decisions remains a challenge.

This may be in part because our communication and engagement methods until recently have been fairly traditional. In response this year we have increased our engagement across social media by **120%**. We have launched new channels including Instagram to reach younger audiences. Posting much more frequently on Facebook, LinkedIn and Twitter has helped us to establish meaningful conversations with our growing social media communities and we plan to continue utilising these channels throughout 2017. We also need to get better at demonstrating how resident's views have shaped policy and delivery. A good recent example of this is our commissioning of care for the elderly in Worcestershire, which is amongst the very best in the country, according to the Care Quality Commission.

More people believe that as a Council we are providing value for money in 2016 compared to 2009. This is good but we still have progress to make – often a key measure of value for money for residents is the helpfulness with which enquiries are dealt with and what they can see happening immediately around the area they live. We are making good progress on this with our contact centres for residents achieving an average **67%** satisfaction rating and our Driving Home investment having improved **63** miles of road, benefiting over **6,000** homes across the county.

Whilst listening to residents is paramount, we have also spoken to more than **1250** businesses in Worcestershire in this year's Business Viewpoint Survey, which is the biggest survey of business confidence in Worcestershire since the EU referendum. It was encouraging through this survey to see continuing positive growth anticipated by businesses, albeit at levels lower than the previous year. Of particular note was the appetite from local businesses for both superfast broadband and voice and data mobile coverage, and the latter will be a focus for us as go through 2017.

I do believe we have maintained the right focus on keeping checking back with residents and acting on their views. This hasn't always been easy, for example our investment in safeguarding the most vulnerable children whilst targeting a reduced early help spend being contentious for some members of the community. However it is clear in local government we do need to balance our budgets and with increased demand and reduced central government funding, choices do have to be made. Looking forward this will continue to be the case – whatever these choices are I know we will continue to engage with all residents in Worcestershire and ensure decisions debated at Cabinet and full Council are made on the basis of this evidence and professional expertise.

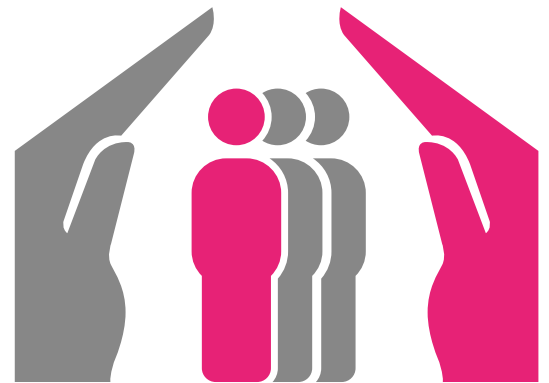
42% OF PEOPLE BELIEVE THE COUNCIL ARE PROVIDING



FOR MONEY IN 2016 COMPARED TO 31% IN 2009

THE QUALITY OF CARE FOR ELDERLY IN WORCESTERSHIRE IS

THE 2ND BEST IN THE COUNTRY



9/10 CARE HOMES IN THE COUNTY PASSED INSPECTIONS THIS YEAR

3. Delivery of change in challenging times

These are unprecedented times we live in.

The model of local government finance will have changed beyond recognition by 2020 with our Council's income deriving from local council tax and business rates and not central government grant. This means a medium term challenge we have not seen previously, but by 2020 we will be self-sufficient.

However, the more significant shift we see is that the demands for our services, particularly for those most vulnerable in our county - the elderly and frail and those vulnerable children in need of our protection – are rising and will continue to.

Both of these changes compel us to do things differently, that we continue to reform and change. I am proud of how our staff have risen to this challenge over the course of 2016.

Staff in Adult Services have worked with partners to enable **340** adults with a Learning Disability to live in Supported Living units which supports them to be more independent. They have helped more than **2000** people to be supported in their own home through the home care we either commission or provide. Our social workers supporting vulnerable adults have enabled more than **1200** people to have a Direct Payment giving them maximum control over their care and support. In the last year our staff have supported more than **1200** people to leave hospital as soon as they were clinically ready to leave so that they could continue recuperation and reablement in their own home. To enable staff to work more effectively devolved budgets have been introduced, enabling decision making to happen at the front line and new technology was introduced in December to enable staff to work more effectively when mobile – this will be further rolled out in 2017.

In parallel we have worked alongside the Worcestershire and Herefordshire health economies to develop their **Sustainability and Transformation Plan**. This has been difficult at times as the NHS has a very different operating model from that of local government with clear governance through central bodies such as NHS England and NHS Improvement. With a plan finally published in November, our role in local government will be key, working with health colleagues to ensure that the clear 'hospital to home' strategic intent is effectively implemented. One particular focus for us will be to ensure funding follows increasing demand in social care and that the role of prevention is not seen as purely the role of public health but built into every element of the health service, particularly in primary care. We also have a key role to play in demonstrating to the health service how the back office across the multitude of NHS organisations can be reformed, based on our track record in this area over recent years.

During 2016, **staff in Children's Services** have got to grips with a range of challenges emerging over recent years. The contract with Babcock for school improvement services has begun to show evidence of emerging improvement plans with a real focus on key stage 2 results and outcomes for vulnerable learners. Our school improvement overall continues to be something to be proud of with our GCSE results above national figures and those of our statistical neighbours.

Similarly our focus on apprenticeships continues to benefit Worcestershire's young people with a reduction in the number of young people not in employment, education or training from **5% to 3%** and the number of apprenticeships rising again in 2016 by a further **7%**.

The implementation of the **family 'front door'** in July was a huge step forward for Worcestershire's most vulnerable children, providing a single point of access for referrals to social care, supported by many of our Worcestershire partners, including West Mercia Police who have played a key role in its establishment.





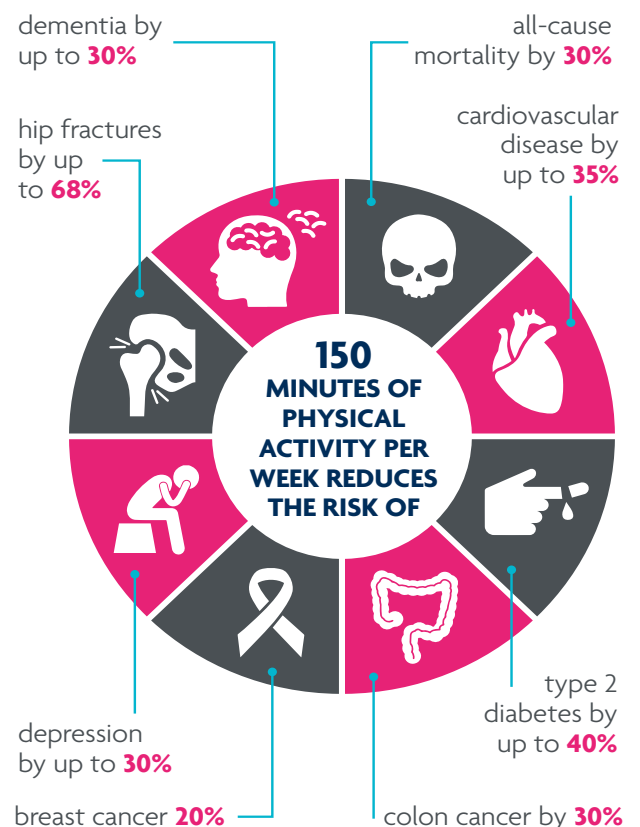
The arrival of a permanent Assistant Director, **Tina Russell** in October was a welcome step forward in leadership of children's safeguarding services and I would expect the report from our recent Ofsted inspection to highlight both as significant changes to improve our safeguarding of children despite having a long way to go to ensure workforce planning is implemented effectively and at pace. Our fostering and adoption services have also seen improvements with **49%** of children looked after by the Council placed with in-house carers, an increase from **39%** last year and time taken to progress adoption proceedings improving to **70%** being adopted within 14 months of **being looked after**. We still have significant challenges to face in improving Safeguarding Services, particularly around caseloads, workforce development and consistency of practice and this will be a major focus in 2017.

By 2030 we are projected to have over **90% more people over 90 years old** and **33% more over 65 years old.**

Public health staff have started to make a bigger impact both within the Council and across the County. This year we have formed a new Public Health Directorate which will focus on enabling colleagues, partners and residents to think differently about health and well-being, to improve public health outcomes, and to make sure that our services are based on the best possible evidence.

The above changes in demographics are a challenge for us as a Council and County if we go on as we are but also an opportunity, particularly in how we exercise our Public Health duties – living well and healthy in older age is something we can and are starting to influence.

The Director of Public Health's report this year was compelling with the links between physical activity and healthy older age endorsed by the Health and Well Being Board. Public health staff have begun to harness the positivity and incredible kindness of Worcestershire's residents and communities with over **10,000** Dementia Friends now trained to raise awareness and help create dementia friendly communities. We are working with communities and partners through the GO ON Worcestershire Partnership to help residents get on line and develop basic digital skills. Digital Connectors based in each of districts have recruited **102** volunteer Digital Champions to help residents get online. These officers and volunteers have supported **3409** of our residents to develop basic digital skills to go online, for example to apply for jobs, access better details on fuel tariffs and access other online services.



Our **staff delivering economic development and infrastructure** have had a hugely busy year, with our second year of delivering an unprecedented level of major infrastructure schemes. Early evidence suggests this is making a real impact on our county's economy with Worcestershire LEP area seeing the:



1ST STRONGEST GROWTH IN HIGHER LEVEL WORKFORCE SKILLS

OF ALL LEP AREAS NATIONALLY BETWEEN 2010 - 2014



2ND HIGHEST GROWTH IN PRODUCTIVITY

OF ALL LEP AREAS NATIONALLY BETWEEN 2009 - 2014



3RD HIGHEST GROWTH IN PROSPERITY

OF ALL LEP AREAS NATIONALLY BETWEEN 2010 - 2014

The Southern Link Road has made significant strides forward with Phase 3 well underway, Hoobrook Link Road (or Silverwoods Way) is now open and reducing traffic congestion as well as making the area more accessible for housing and employment and Bromsgrove station opened in July. The year ended well with the team's ability to deliver major, complex, infrastructure involving a number of private and public sector partners anticipated to be rewarded with additional monies from the competitive, national Growth Deal 3. These planned programmes of work are alongside needing to respond in a timely way to emerging issues such as the collapse of Eastham Bridge, where a scheme has been developed and is well underway to construct a new permanent bridge.

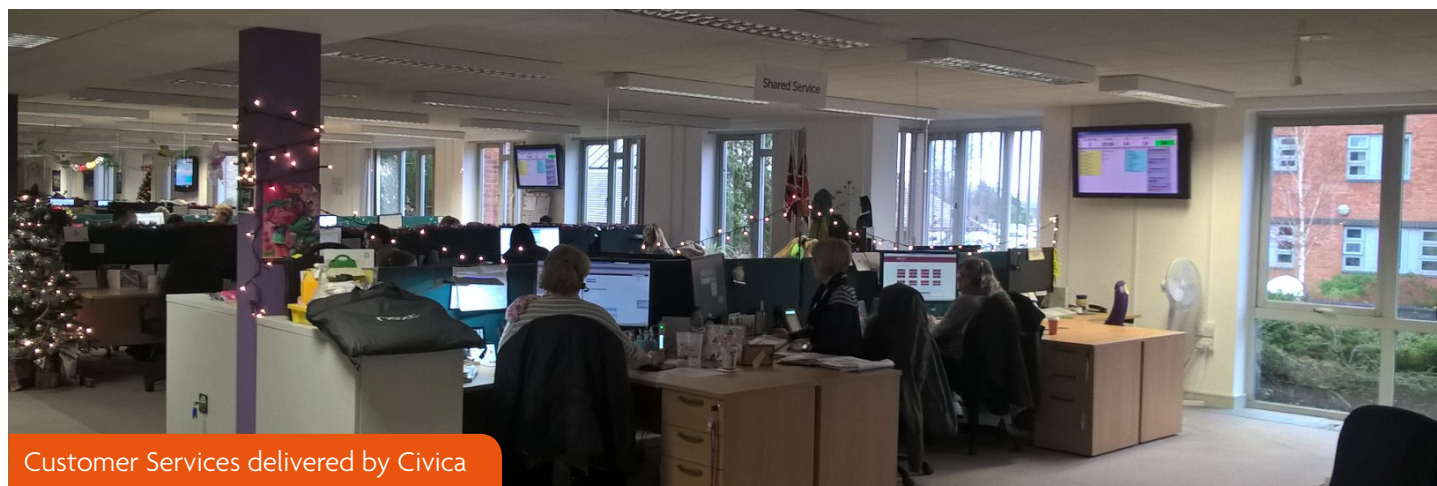
Much is still to do but with approvals for Worcestershire Parkway obtained in December, key infrastructure projects which have waited years to become a reality will do just that over the next two years, including the Energy from Waste plant EnviRecover which is well into its commissioning phase.

In July the Superfast Worcestershire Broadband programme achieved a key milestone by increasing broadband coverage to business premises from **44%** to over **90%**. A further **60,000** premises overall now have access to improved speeds as a result of the programme, over **2,000** more than originally expected, with take up beyond **35%**. The progress on these and other projects is a testament to the increasing maturity of the major projects team within the Council.



Artists impression of Worcestershire Parkway

Our **staff delivering support services across finance, commercial, legal, democratic, human resources, property management, systems, programme management, complaints handling, customer access and technology**, have continued to push boundaries and look at alternative ways to reform services. Our performance data, and management through use of that data is getting better but I would expect this focus to increase during 2017 with forecasting of performance trends given greater emphasis.



Customer Services delivered by Civica

With an already established ambition to deliver **100%** of our services online we have transformed over twenty key services and enabled more than **£2m** savings. These include new 'registration services,' enabling customers to request and pay for copy certificates online with online self-service rising from **40% to 78%**. Customer self-service in libraries has risen to **67%** and **97%** of applications for school admissions are completed online.

We have become more commercially minded with the end of 2016 marking the 1st anniversary of the establishment of our commercial team. We are still at the beginning of a journey to become an '**excellent commissioning authority**' but the Liberata contract for HR and Finance transaction processing, which came into effect in February, is a good example of a robust commercial partnership. Liberata has now established a base in Worcestershire, renting space at County Hall and is delivering transformation within the Council, Schools and the Police, with Staffordshire County Council now joining the framework. The embedding of social value, enabled through the contract, has seen apprentice roles recruited to the team based in Worcester, and opportunities for Worcestershire care leavers to participate in work experience placements – a real example of best practice.

We invited in a Local Government Association Peer Review team to review our progress in April and there were some clear positives coming out of this, including:

- A clear track record of delivery against priorities
- Good partnerships and positive relationships with external organisations and agencies – a real sense of 'Team Worcestershire'
- Innovation and experimentation seen as vital ingredients for continued transformation of the organisation
- A great deal of enthusiasm and an appetite to develop demand management, resulting in some impressive early thinking and examples

They recommended moving forwards:

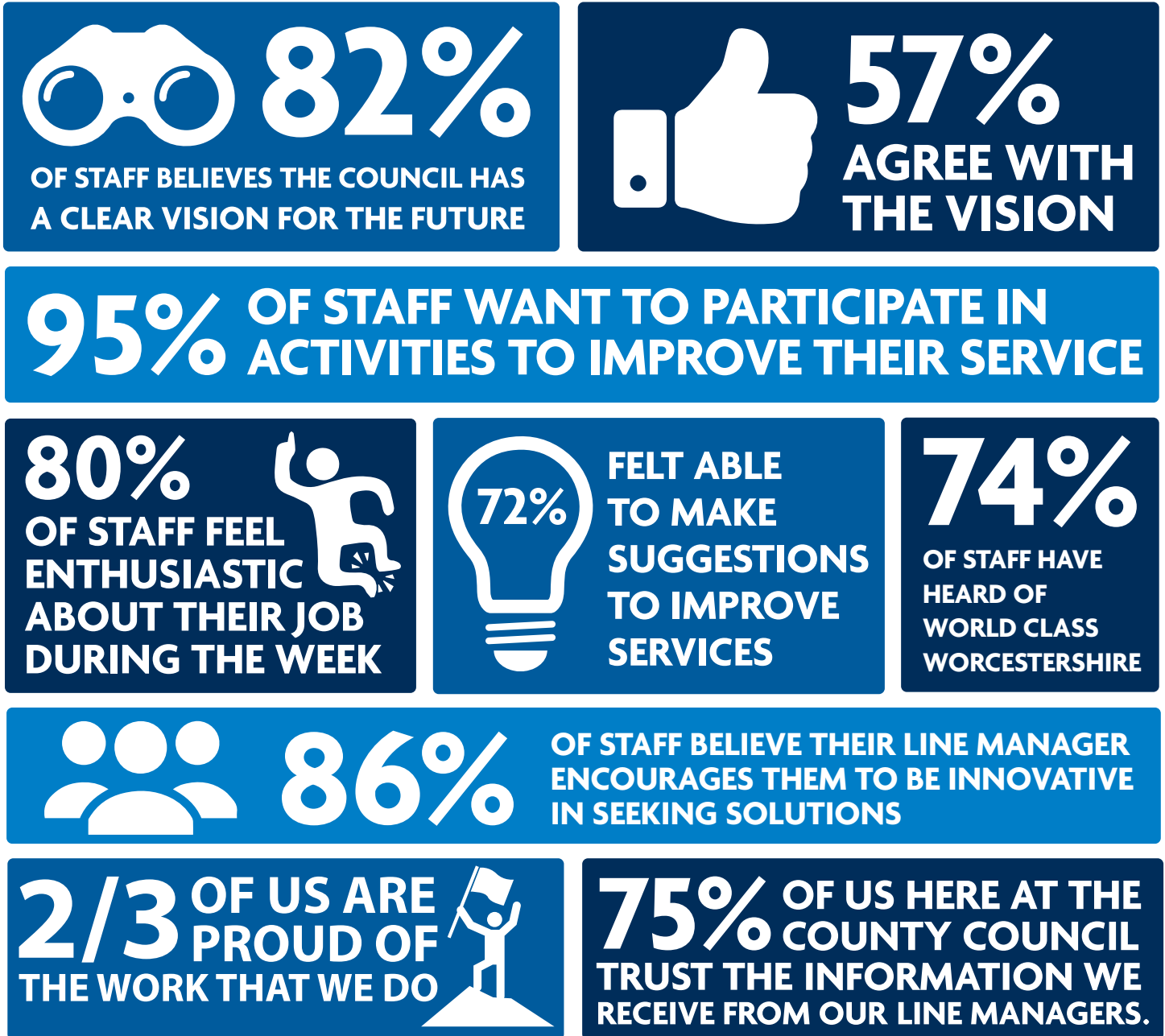
- Using the opportunity of the Corporate Plan refresh to ensure a focus on places and people, and new relationship with residents
- Staying focused on the current financial challenge and also the longer term strategy required
- Create the space for innovation
- Refine the approach to commissioning to ensure earlier engagement and co-creation
- Consider how to re-calibrate the approach to taking calculated risks to deliver our ambitions
- Gain a broader consensus about demand management with organisations and partners

As a result we have undergone extensive consultation and engagement with partners on the Corporate Plan and direct questions asked of more than **1000** people at our Public Roadshows fed into the Corporate Plan priorities. Innovation workshops, supported by an incentive scheme and innovation spaces, are due to be launched in January to stimulate a culture of thinking differently where great ideas can come forward and flourish.

4. Investing in a workforce fit for the future

Our staff are our biggest asset as a council. Their passion, desire to deliver excellent public services and willingness to champion different ways of doing things are what will stand us in the best possible position to face challenges ahead. With **2456** full time equivalents or approximately **3200** individual members of staff one of my principal focuses for 2016 has been how we ensure this workforce is fit for the future.

Our staff survey results were shared in April with an estimated total of **3,300** staff members eligible to take part in the survey. We received over **1600** responses, which is a **49%** response rate, a great improvement since the previous year - thanks to those who took the time to have their say.



However, a number of issues were also raised, including:

- **42%** of staff do not feel they have enough time in their working week to manage their current workload
- **45%** of staff have been negatively affected by accommodation changes
- **46%** of staff believe commissioning has had a negative impact on their work



These staff survey findings have been invaluable. Staff told us that they wanted to feel more informed about the decisions made by the Strategic Leadership Team so we now record a podcast of the key points discussed following every weekly senior meeting and upload on our staff intranet as well as Yammer. We have improved engagement between managers and staff, as well as fostering collaboration across all staff, through the use of Yammer where we have more than **2700** members and over **200** groups, resulting in **6000** posts to date sharing information and ideas.

We began 2016 with an agreement by staff to extend our Mandatory Unpaid Leave scheme for another two years and for that I am grateful to all staff for that as it ensures **600k** per annum can be spent on front line services.

Our first Talent Programme for **'growing our own'** was formally launched in October. We are re-focusing our approach to Talent Acquisition, giving an injection of adrenaline into our old recruitment systems and processes. But more importantly, we are recognising the value of investing in our existing workforce, exploiting the 'grow your own' philosophy for the benefit of both the employee and the organisation. This ensures effective and systematic succession planning, key for any organisation developing its staff and looking to its future.

On our first cohort we have 1 Strategic Talent (Future Directors), 3 Top Talent (Future Heads of Service), 15 Key Talent (Future Senior Managers) and 18 Aspiring managers, focused in our recruitment hotspot areas; Adults and Children's Social Care.

We have launched our very first **Graduate Scheme** and successfully appointed 8 graduates working in key services across the Authority. We have invested in additional Apprenticeships again in some of our key service areas. However this Apprenticeship focus will be maximised through the introduction of both the Apprenticeship Levy and the new Public Sector Quota as we move into 2017.

We brought some excellent talent into the organisation during 2016 including a new Director of Children, Families and Communities **Catherine Driscoll** and demonstrated agility in development of existing talent when **Sander Kristel** moved to take on the role of Director of Adult Services. We have 'grown our own' starting at the top of the organisation when **Frances Howie** became Director of Public Health in August 2016. At the same time during 2016 we reduced our overall number of managers by a further **13%**.

We will develop our 2015 launch of **'Investing in the workforce'** further as we move forwards – in 2016 this included building on Front Line Manager and Senior Management one to one coaching and mentoring in areas of particular focus such as Children's Safeguarding. A corporate approach to leadership development is now embedded with the roll out of Managing Beyond the Basics, Proactive Performance Management, Commercial Awareness, Finance and Resource Management and Insights now complete. In January we launched 'Leading for the future' which is now a coherent leadership development programme. This has included delivery of nearly **300** events to over **1200** attendees.

There is always more to be done on developing and investing in our workforce and we will continue this through 2017.

5. Looking forwards to 2017

2017 will see county elections happen across Worcestershire and so we will look forward to welcoming new and returning councillors in May. The financial challenge is as acute as ever as we look forward to 2018/19. However we should not lose sight of the fact that we become financially self-sufficient by 2020 and this amount of self-determination will be a game changer in how we can set priorities and allocate resource.

In conclusion our staff do incredible things each and every day helping those most vulnerable in our society, working to make communities more cohesive and deliver the infrastructure to improve our prosperity in years to come. In 2016 we delivered this in a climate which is challenging and offers little thanks. To each and every council employee my heartfelt thanks to you for all you did in 2016.



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This document can be provided in alternative formats such as Large Print, an audio recording or Braille; it can also be emailed as a Microsoft Word attachment. Please contact the Equality and Diversity Team on telephone number 01905 766225 or by emailing equality@worcestershire.gov.uk.

To the best of our knowledge all information was correct at the time of printing: January 2017.

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COUNCIL
12 JANUARY 2017**QUESTION TIME**

Question 1 – Meals on Wheels

1. Mr P M McDonald will ask the Cabinet Member with Responsibility for Adult and Social Care:

"Would the Cabinet Member with Responsibility for Adult Social Care please inform me the number of our residents receiving Meals on Wheels in year 2013, 2014 and 2015"

Question 2 – People sleeping rough

2. Mr P M McDonald will ask the Cabinet Member with Responsibility for Localism and Communities:

"Would the Cabinet Member with Responsibility for Localism and Communities please inform me the number of people sleeping rough in Worcestershire in the year 2014, 2015 and 2016?"

Question 3 – Medical Education Team (MET) Provision

3. Mrs F M Oborski will ask the Cabinet Member with Responsibility for Children and Families:

"Could the Cabinet Member for Children and Families tell me:

- a) The location, number of staff and maximum Pupil Capacity of each MET Base?
- b) How effective is each MET provision, by site? i.e in terms of pupil progress, value added, GCSE pass rates and achievement of 'pupil premium' pupils;
- c) If young people can not access mainstream post 16 provision where do they go?
- d) Which specific types of illness have resulted in young people needing MET intervention in the last two years?
- e) What percentage of young people make a permanent transition back to mainstream school after MET intervention?
- f) What are the inspection arrangements for MET Units?"

Contact PointsCounty Council Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) there are no background papers relating to the subject matter of this report.